THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

VOL. XVII Annual Subscription, $5.00 PUBLICATION OFFICE: TORONTO, FEBRUARY 2, 1923 Single Copies, 10 Cents. No. 5

HOPEFUL SIGNS HAVE APPEARED DURING JANUARY

Developments in Business Justify Feeling of Optimism

STAFFS INCREASING

Many Large Plants Received Orders and Are Resuming Operations—Others Enlarge Activities

Developments give justification for the feeling of optimism as to the business outlook with which the first month of the new year ends. Uncertainty as to foreign conditions and problems at home doubtless are causing anxiety, and yet optimism is quite general, nor is the reason hard to find. Plants which have been closed are now opened. Some which were opened with skeleton staffs are now running with a fair number of employees. Orders for steel are being placed to make possible big construction work. The orders for cars placed by the railways has seemingly widened the activities.

It is worth while listing some of the hopeful signs just here:

Structural steel to be used in the new buildings of the Toronto Transportation Commission, T. Eaton Company, Ford's Toronto plant, Ford's Walkerville plant, The Simpson store addition and the Bell Telephone contracts will amount to more than 10,000 tons of structural steel and some 1,000 tons of reinforcing steel.

The Quebec Development Company, organized to develop the water power resources of the Grand Discharge and Lake St. John, north of Quebec, are calling for tenders on power plant equipment. It is proposed to install twelve turbines, each with a capacity of 35,000 horsepower. These monster wheels will aggregate 5,000 tons. Tenders distribute the installation over a period of three years. Development proposed, including pulp and paper industries, will entail an expenditure of something like $57,000,000.

The Steel Company of Canada have started a second blast furnace with a capacity of 500 tons of pig iron a day.

The General Electric Company which has had its big Toronto foundry closed, using 2 small ones, has recently opened the big shop, at first with a very small shift, but more recently this has been increased. It is nothing like capacity production, but the movement is in the right direction.

Foundries generally are reported as busy, the volume of work on municipal lines which has sprung up being quite surprising. This work ranges from electrical machinery to waterworks extensions, sewer work and general construction supplies.

As a further indication of improved conditions a couple of instances of increasing of employees may be cited. The National Steel Car Company in Hamilton which has been employing some 800 hands, is adding 100 more, giving it the largest body of workmen ever employed. It is stated that car orders from the C. P. R. have just been received.

The Massey Harris Company is now using about 1,200 hands in the Toronto plant and some 900 in Brantford. This, of course, is much below the regular list. On the other hand it is very considerably above the number employed in these plants during 1922.

This last instance seems to indicate a general condition in the heavy metal field. The industry is not back to normal, but has greatly improved over a year ago. The first half of 1922 was, of course, a period of liquidation. The latter half saw business being done, and on a fairly steadily increasing scale. That upward tendency is continuing.

Business in steel is very brisk in the United States. It is estimated plants there are running 90 per cent. capacity which means about 20 per cent. above pre-war days.

The coal strike which threatened has been definitely prevented by an agreement between the operators and miners. The prospects of a strike brought buyers into the market with the evident idea of accumulating some stock against possible trouble. But since the agreement buying has kept up; seemingly meaning that the industry requires practically for immediate use what was ordered as a reserve.

Generally steel prices are tending upwards.

So specific instances indicate a better condition. Other broader aspects also are favorable. There is plenty of money available for industry when industry needs this. The banks are now buying heavily of provincial and municipal bonds, and, of course, for the reason that they have more funds than are needed for commercial loans. The loan, trust and insurance companies also are plentifully supplied with money, for many mortgages which fell due the end of the year have been re-

(Continued on Page 16)

BANKS HAVE NOTHING TO FEAR

At the annual meeting of the Dominion Bank, C. A. Bogert, general manager, said that the Canadian banks would welcome any changes in the Bank Act that would improve or strengthen it and give greater protection to the banks and the public.

Business men will feel that this is a broadminded view. A former general manager of a large Canadian bank said that any general manager in Canada could walk through the Bank Act and put a great deal over even his own directors. But Mr. Bogert's statement indicates that the banks do not object to tightening up the Act. All that they have to fear is misunderstanding.

BIGGER AUTO YEAR NOW SEEMS CERTAIN

1923 Expected to Beat Record of 1922—More Emphasis Laid on Selling

There are approximately 525,000 cars in use in Canada to-day, or one for every eighteen people, which of course puts Canada second among car employing countries.

During 1922 about 70,000 cars were sold in the Dominion, which at an average price of $1500.00 would make a total of $100,000,000.

In spite of this big business automobile dealers had a poor year, due, all seem to agree, to the problem presented by the used car. These were frequently taken in on a trade at higher prices than that for which they later could be sold.

Proper handling of the used car seems to be the greatest problem facing the automobile industry today. In Boston and some other American cities a scale of proper prices to pay for the various models has been established, and is being followed by the dealers. There is talk of such a system being introduced in Canada, but whether this is done at once or not, the experience of 1922 will make dealers more careful this year.

Sales Now Heavy

Present sales appear to justify the expectations of automobile manufacturers for a big year. During December and January orders have been so heavy that manufacturers who ordinarily practically ceased operation during inventory taking have kept operating on closed bodies, the demand for which is coming, year by year, to be a large percentage of the total demand.

Intensive selling methods are being adopted in the automobile industry and manufacturers who have lain emphasis in the past on production are now giving great attention to the improvement of general merchandising methods. The effects are being seen.

Automobile manufacturers are buying heavily in anticipation of big production. They anticipate big sales in industrial sections, and the farmer is expected to absorb more cars during 1923 than a year ago. Also the farmer is expected to buy largely of light trucks.

Export in Cars

Canada's auto exports in 1922 showed an increase of more than $16,000,000 over those of 1921 and more than $7,000,000 over those of 1920.

Cars exported numbered 35,394, valued at $21,059,574; 1921, 9,305, at $4,586,664; 1920, 18,070 at $13,576,179. An interesting fact is that these figues show the average price to have been between $700 and $800 in 1920, and below $600 in 1922, indicating a decline of more than $100 per car. Trucks imported in 1922 numbered 2,564 valued at $1,094,519, while in 1921, 1,421 exported carried a value of $718,780 and in 1920, 4,942 exported were valued at $3,039,056.

Ottawa Tax Department Says Bond Interest Not Expense

Means Addition of Millions of Dollars to Tax Burdens of Canadian Companies if Regulation is Allowed to Stand

Instructions have gone from Ottawa to Dominion income tax officials throughout Canada that in the future bond interest paid by a corporation will not be allowable as an expense in the determination of net profits, subject to business profits tax. This is a ruling of far-reaching importance affecting hundreds of companies from coast to coast. Instructions are that the new regulation shall be retroactive to 1921 profits.

The effect of the ruling will be in the case of a corporation having $1,000,000 of bonds outstanding, upon which it pays 6% interest, that tax will have to be paid by the company upon the $60,000 of interest. In the past this $60,000 has been considered as a deductible expense and was not considered a taxable profit. An income tax official informed THE FINANCIAL POST that the same ruling would apply to bank interest and interest on mortgages on plant or property. The ruling is based upon the theory that the issuance of bonds or the borrowing of funds to carry on a business constitutes a manipulation of capital and English precedents are likely to be quoted in support of the theory. It was also stated that bondholders would be exempt the normal income tax on income from corporation bonds and mortgages just as is now the case with dividends. They are at present taxable at the source.

While tax officers have their instructions and are going ahead upon the basis that all 1921 assessments must be revised to provide for the additional taxes this regulation brings into force, payment is likely to be resisted by many companies. It is understood that legal action is now pending in the Exchequer Court between the Bell Telephone Company and the government to test the validity of the ruling. The result of the court's decision will establish the question as to whether these new taxes, representing in the aggregate probably $2,000,000, will have to be paid.

In the event of the ruling being sustained, legislation will likely be sought by corporation heads to have bond interest considered as an expense rather than profit as at present.

Canada's Opportunity for Home and Foreign Business

Comparison with a year ago enables us to appreciate the very great improvement in domestic business conditions. Our progress towards recovery has been far greater than any of us dared to hope for as we entered the second month of last year. The past year's output of our farms, forests, mines and manufactures exceeded our best expectations. The workers in these fields are planning for still greater production this year and practically all sections of the Dominion are going forward with greater confidence in the future than we have had in many a day.

Weaknesses That Can be Corrected

One of the most satisfactory developments has been the sale of manufactured goods in foreign markets, particularly in the Mother Country; and if our manufacturers as a whole wodld only listen to the men who have had long experience in foreign trade and finance they could develop an export trade far beyond anything ever dreamed of. Sir Joseph Flavelle, the veteran and most successful of exporters, has been emphasizing the necessity for honest goods, prompt and willing service. Before the war Sir Joseph had built up a very profitable trade; his provisions sold at prices above the average; but more important than all this was the reputation he had established for integrity and reliability, which caused the British importers when the war came, to turn to him above everyone else for the service they wanted.

George H. Smith, General Manager of the Canada Permanent, told his shareholders this week that his company might have made a great deal of money, and be thoroughly within their just rights by taking advantage of the low rates of sterling in repaying loans on British investments; but they sacrificed immediate profits to retain the good will of the Scottish investor.

The Government could not have sent a better man than Hon. Mr. Robb to negotiate a preferential treaty, which would be very much to Canada's advantage, with Australia. But he failed because a group of Canadian manufacturers, perfectly within their rights, failed to show the same courtesy to Australian buyers that the Canada Permanent showed to British money-lenders. All Canada suffers just as all Canada suffers in the City of Paris to-day because some get-rich-quick Canadian pork packers did not give the Flavelle service to their customers.

There are some weak spots. In Canada these weaknesses can be corrected by the national, provincial and municipal governments. There are national wastes, involving excessive taxation and the neglect to take advantage of the unusual opportunities of the present time for bringing in the best possible type of farmers, miners and expert workmen of all classes from Europe.

The recent vote in Ontario showed that the people are finding public ownership is much more expensive than privately directed enterprise. These experiments were watched with great interest in all the provinces by politicians and agitators anxious to saddle their own provinces with similar schemes. The exposures brought about through the courage of Mr Drury, the Farmer Premier of Ontario, have opened the eyes of thoughtful people across the Dominion, and they are shying at anything further in the way of Government assumption or direction of public utilities or industrial enterprises.

But there are some directions in which they expect the national and provincial governments to take public action. The first of these is the matter of immigration. Outside of Ontario, no government seems to have taken intelligent action. The Dominion Government has practically wasted two years. This week, for the first time, it has made an announcement of activity. If it had started six months ago, thousands of settlers, particularly for the farms, would have been available for harvesting this year's crops. As it is now, it will be another year before the movement, if properly directed, can begin to bring results. The King Government has done excellent work through some of its Ministers, like Hon. Mr. Murphy, the Postmaster-General, and Mr. Fielding, Mr. Lapointe and Mr. Robb, in their preferential trade arrangements, but from all parts of the country among business men there is nothing but disappointment, disgust and exasperation with Mr. Stewart's handling of the immigration problem. The defense is that he was unable to act because of the influence of the trade unions. If he had taken the trouble to send over to the Department of Statistics, he would have found how small and unimportant is the minority of the people of Canada who are represented in the activities of this noisy, little group, largely directed by men of alien birth or non-Canadians.

Our Foreign Outlook

Even the volcanic situation in Europe has notes of optimism for Canada. As a field for stable business, financiers and business men in the Mother Country are beginning to lose hope in Europe and for the first time in British history we find all classes turning sympathetically towards Imperial trade. Many of the powerful families in England, the Gladstones for example, were dependent upon foreign trade which

(Continued on Page 4)

SOMETHING AGREED UPON

Acceptance by the British of the debt refunding terms of the United States is considered a very constructive factor in the world economic situation. The possible failure of the negotiations has been hanging over markets for some weeks.

The arrangements indicate too that agreement on matters where nations differ is possible. The tendency among nations has been to argue and never to agree ever since the end of the war.

"I and Canada Own the C.N.R." This Single Shareholder Can Say

The Canadian government has owned all the capital stock of the Grand Trunk Railway system for some time and when this week the Minister of Finance, representing the only shareholder, voted to exchange his holdings for stock in the Canadian National Railways there was no change of ownership; merely a formal act. But the case of the Canadian Northern Railway system is different. Here there is presented one of the most amazing circumstances that could be imagined.

Canadian people think they own the Canadian Northern Railway system. They are wrong. Canada is merely the majority stockholder in the line. The Minister of Finance represting the people of Canada holds $100,000,500 of stock of the railroad. A certain individual, an English investor, holds $100 of stock. This person is a partner with the Dominion of Canada in the ownership of a railway system 10,000 miles long. True, the proportion of his holdings of stock to those of Canada is less than 1 to 1,000,000 but so long as he holds his stock he is one of the two partners. His stock is not earning any dividends. Its value is problematical except insofar as a man might feel some pride in being the only stockholder in the C.N.R. outside of the Dominion of Canada.

The manner in which this individual became possessed of his single share of stock is this: When the C. N. R. was built one of the securities issued to raise capital was the convertible debenture stock, the 5% income charge issue. A total of $25,000,000 was issued, all of it convertible up to a certain date into common stock. Only $600 was converted before the date of expiration of the privilege. Of this, $500 was held by a California investor and $100 by an English investor. The $500 held in California has been bought in by the government but it is understood that the $100 held in England is still outstanding though, of course, there are negotiations under foot seeking to purchase that share for the Minister of Finance.

But until it is definitely purchased, the entire question of the amalgamation of the various government lines remains—from a strictly legal standpoint—in abeyance.

HELPING WESTERN CANADA

The inquiry into the alleged lake freight rates combine follows revelations regarding a state of affairs to which THE FINANCIAL POST has emphatically drawn attention as indicating how a few grasping individuals can give Canadian business institutions a black eye. That the POST'S service to Western Canada in this connection is recognized is indicated by a letter from Chas. M. Simpson, of Simpson, Michell and Ewing, of Winnipeg, who wishes "more power to you in your efforts directed against injustices inflicted on suffering people." Mr. Simpson expresses the opinion that if the prices of goods, transportation and taxation do not tend downward ruin will inevitably result.

1922 PRICES RULE BUILDING OF 1923

Contracts Recently Placed for Several Large Structures

The building outlook for 1923 is that prices of materials and wages will rule about the same as at the close of 1922. An evidence of this is the fact that during the past three months not a contract has been referred back and several large ones have been placed.

Tenders have been accepted as soon as considered on several large jobs and building interests take this to mean that the tenders were fairly well in keeping with the architect's estimate and what the owners proposed to spend, otherwise the contract would have either been held up for fresh tenders or referred back.

Builders declare that the outlook is good for legitimate building. By this they mean building to meet needs of industry, not building of a speculative nature. Wages and costs have not increased while cement, an important item in present day costs, shows a decline.

It is not thought that the year will be marred by wage disputes in the building trade, although as builders say, you cannot tell what May 1 will bring. However, several trades have already settled up for the year and these crafts, at least, will not give any trouble. Four large jobs recently placed, with no objection to the tender price, were the Ford buildings at Toronto and Windsor, The Transportation building, Toronto, and the Eaton structure.

REJECTION OF BIDS ON BOND ISSUES STIRS UP COMMENT

Manitoba and Montreal Both Turn Down High Tenders

MONTREAL.—The decision of the civic authorities of Montreal to reject the two tenders submitted for an issue of $16,000,000 of 5 per cent. bonds has aroused a good deal of unfavorable comment among financial houses. The reasons assigned for refusing the highest tender of 94.117 was that this was so much lower than the bid of 97.251 for the Toronto issue of January 8, or the bid of 96.959 for an issue of $1,300,000 bonds by the City of Winnipeg on Jnauary 3, or an issue of $2,000,000 on January 24 of Greater Winnipeg Water District at 95.54, all of these bearing a similar rate of interest to the Montreal City 5 per cent. It was pointed out also when the matter came before the City Council for final decision that the City did not require more than one-half the amount or $8,000,000 by the first of March, and the balance before the first of May, and that conditions might improve which would give the City a better price for its bonds if there was a delay.

On the other hand it was pointed out by financial houses that there is no certainty of an improved market for municipal bonds in the next few months and the market may fall if conditions in Europe become worse. The bids were:

Hanson Bros., Rene T. Leclerc, Beaubien & Co., Nesbitt, Thomson & Co., R. A. Daly & Co., W. A. Mackenzie & Co., E. H. Rollins & Sons, Equitable Trust Co., W. R. Compton & Co., Kountze Bros., W. A. Harriman & Co., and Blythe, Whitter & Co...	94.117
Harris, Forbes & Co., Guarantee Co., Dillon, Read & Co., Bankers' Trust, Wood, Gundy, A. E. Ames & Co., Dominion Securities..	93.727

Manitoba also rejected bids on its issue of $1,100,000 of 5 per cent. 20 year bonds. The high bid was 96.139 submitted by A.E. Ames & Co. R.A. Daly & Co., and R. C. Matthews & Co. Other bids were:

National City Co., Hanson Bros., A. Jarvis & Co., and McLeod, Young, Weir & Co..	96.06
Gairdner, Clarke & Co., Nesbitt, Thomson & Co., and Bell, Gouinlock & Co.	96.045
Wood, Gundy & Co.	95.894
Royal Securities Corp., C. H. Burgess & Co., and Macneill, Graham & Co.	95.33
Dominion Securities Corp. ...	94.77
W. A. Mackenzie & Co.	94.117

HERE IS GREAT IMMIGRATION OPPORTUNITY

About 3,000,000 Hungarian Farmers Not Wanted in Roumania

THE SPOILS OF WAR

Are Among Best Farmers in the World—Well Educated, Very Loyal—Are Disgusted With Present Conditions

It is said that the Hungarians are among the best mixed farmers in the world. They have been a great success in Canada. They have worked hard. They have made money. They love good houses, good furniture, good clothing and every comfort. They are generous spenders and have therefore been good buyers of all kinds of Canadian goods.

Canada has at the moment an unusual opportunity of securing some very high class settlers of this type. They belong to that part of Hungary given to Roumania in the secret bargain made in London in 1915 under which Roumania joined the Allies. Roumania wants to get rid of them and give their lands to their own nationals and they want to get away from Roumanian rule—which is distasteful to them. There are said to be over 3,000,000 of them. But we are not going after them in a business-like way, in a human way. Our methods are wooden. Quick action is needed. We can get the quickest action by having the government put the problem right up to the G. P. R. which its European manager, Sir George M. Brown, has made a popular, respected institution in Central Europe. An immigrant used to be valued at $5,000, but a million of these Hungarians might be worth a billion of dollars to us in the next ten years.

They hate the Germans. Some of them were among the 100,000 army that refused to fight against the Allies, who deserted to the Russians and who finally joined the Canadians at Vladivostok and were sent home across Canada from Vancouver to Quebec. Plans were made to settle 25,000 of them in the West and they were willing to settle on Western farms and bring their families out, but the late government's indifference and certain underground influences killed the movement.

In response to a request from THE POST for a detailed report on the situation, we have the following from a man who knows:

PRAGUE. — Having been myself brought up in the country and in close contact with farmers for many years, I am perhaps in a position to say a few words with regard to the emigration question which you write is at the present time closely engaging the attention of Canada.

My conviction is that as a general rule, but more particularly in Central Europe the farmer will show no special inclination to emigrate not only be-

(Continued on Page 16)

FEATURES

Manufacturers Interested in Bank Act Revision 2
Don't Put Too Much Faith in Government re Trade 2
National Lines Are Not Bearing the Burden of Debt 3
St. John Wants Money Spent on Better Harbor 3
Wages Must Come Down or Have Worse to Face 4
Little of Note Marked Trading of Week 4
C. P. R. Ends Year With Excellent Earnings Increase 5
Canada Lets Chinamen in, Turns Back U. S. Settlers 5
Big Increase in Power Earnings .. 7
B. C. Fruit Growers May Organize Company 7
Deficit Result of First Year of Rural Credits 8
C. F. A. Ask Provincial Bank Scheme 9
Simple Rules to Outwit the Check Forger 9
Blue Ruin Preaching at U. F. A. Meeting 10
Investors' Inquiries—Valuable Information on Investments 11
Over Million Dollars Invested in Bank Stock This Year 11
Swift Current Has 5 Years to Rehabilitate 12
Uniform Public Records Through British Empire 13
Canada Has Not Yet Balanced National Budget 13
Rain Insurance Popular in Canada 14
Insuring Executives a Coming Feature of Corporations 14
Politics Mar the Bankruptcy Act.. 15
Uniformity and Quality for Export Goods 15
Here is Great Immigration Opportunity 16
Angora Leaders Show Tendency to Avoid War 17
Was Change in Control of L. R. Steel Forced? 18
Many Issues Reviewed in Investor's Enquiries 19
Attack on Bond Sales in Canada Aroused Storm 20
U. S. Supplies 67% of Canada's Imports 20

EDITORIAL

Then and Now in the West—Export Meat Rather Than Livestock—Easy if You Can Get the Money—The Price of Agricultural Development—Hydro a Power Unto Itself.

World-Wide Organization

Total Assets in Excess of $650,000,000

Head Office: Montreal

BY means of its world-wide organization of branches, agencies, and correspondents, this Bank is enabled at all times to give information and advice on international trade. This can be obtained direct from the Foreign Department at the Head Office or through the Manager of any local Branch.

Branches in all Important Centres in Canada
Savings Departments in all Branches

Bank of Montreal
Established Over 100 Years

Foreign Banking Service at Canada's "Gate to the Orient"

The Union Bank of Canada placed a branch of its Foreign Department in Vancouver because of this city's strategic position at Canada's gateway to the vast markets of the Far East.

This location and private wire connections between branches in New York, Montreal, Toronto, Winnipeg, and connections with Vancouver, enable us to keep closely in touch with conditions in Canada and abroad.

Through continual operations in the exchange markets of Canada, the United States, Great Britain, and world centres, we are able at all times to handle international exchange at closest possible rates.

Union Bank of Canada
913

THE HOME BANK OF CANADA
Notice of Quarterly Dividend

NOTICE is hereby given that a dividend at the rate of seven per cent. per annum on the paid-up capital stock of this Bank has been declared for the three months ending February 28. 1923, and that the same will be payable at the Head Office and branches on and after Thursday the 1st of March next, to shareholders of record at the close of business on February 14, 1923.

By Order of the Board,
J. COOPER MASON, General Manager.
Toronto, January 23, 1923.

The Bank of Nova Scotia
Established 1832
Capital ....$ 9,700,000
Reserve Fund 19,000,000
Total Assets 225,000,000
GENERAL OFFICE - TORONTO, ONT.
H. A. Richardson, General Manager.
Branches at all the principal centres throughout Canada and in Newfoundland, Cuba, Porto Rico, Dominican Republic, Jamaica, and in the United States at—
Boston Chicago New York
55 Old Broad Street, E. C. 2.
London, England, Branch.
Collections made at lowest rates and returns promptly remitted. Accounts of firms, corporations and individuals carried on most favorable terms.
Correspondence Solicited.

The Weyburn Security Bank
Chartered by Act of the Dominion Parliament
TWENTY-FIVE BRANCHES IN SASKATCHEWAN
HEAD OFFICE - WEYBURN, SASK.
DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn.; Jos. Mergens, Vice-Pres., Weyburn, Sask.; J. A. McBride, Weyburn, Sask.; M. A. Miller, Weyburn, Sask.; H. N. Murphy, Weyburn, Sask.; S. E. Oscarson, White Rock, S.D.; N. D. McKinnon, Weyburn, Sask.; H. O. Powell, Gen. Mgr., Weyburn, Sask.
A General Banking and Foreign Exchange Business Transacted.

Business operations

The successful operation of a business enterprise is not measured altogether by the profits made, but rather by the good judgment displayed in conserving those profits to properly take care of the inevitable expansion of the business.

The Bank of Toronto has for many years given advice and assistance which has resulted in the development upon a substantial basis of many of the soundest commercial organizations in Canada.

THE BANK OF TORONTO
Incorporated 1855
JOHN R. LAMB, GENERAL MANAGER
120

MANUFACTURERS ARE INTERESTED IN SECTION 88

Opinions Sought on Revision of the Bank Act

EXPORTERS OBJECT

Clause Permitting Substitution of Goods Affects Them—Suggest That Loan Be Registered as a Lien

A feature of the Canadian Bank Act of particular interest in industrial and commercial circles and one likely to be considered in the forthcoming revision of the act at Ottawa has to do with the operation of section 88. This section permits the banks to make loans on goods and merchandise and retain the same rights as upon warehouse receipts. The objection is raised that as there is no registration of the lien the ordinary creditor is not protected and in this respect there has been bitter criticism on the part of British and foreign exporters particularly in regard to a clause by which goods brought in to replace other goods become security for the bank loan automatically. In favor of section 88 the following points are advanced:

(a) That the security in priority conferred on the Banks by Section 88 operates unfairly to ordinary creditors and tends to weaken Canadian trade credit with English and foreign exporters;

(b) That Section 88 should be amended so as to prevent the Banks being preferred creditors, with respect to goods taken into the borrower's warehouse, say three months before date of an assignment;

(c) That while the Banks are, and may be regarded as privileged institutions, the present provision which permits the appropriation by the Bank of the creditor's unpaid goods in the hands of the borrower in substitution, is inequitable;

(d) That bank forms of security should, for the protection of the ordinary creditor, be registered in a public register;

(e) That consideration be given to the alternative of Banks making advances on warehouse receipts, on borrower's goods deposited in neutral warehouse; and whether there are not numerous small traders encouraged by the present provisions of Section 88 to set up in competitive business, who should never be in business, the general effect of which is to weaken the position of sections of industry.

Against this section it is advanced:

(a) That while the elimination of Section 88 might occasionally increase the opportunity of traders for collection of accounts owing to them, such elimination might likewise decrease their borrowing power, which is of especial value;

(b) That if, under the present substitution clause, an occasional loss may arise to the ordinary creditor, many thousands of profitable transactions which would not otherwise occur, result directly from the accommodation thus furnished by the Bank;

(c) That if the Banks are to continue as lenders of money at moderate rates, this can only be by regarding the Banks in that respect as privileged institutions;

(d) That if the Act were amended to provide for the registration of bank forms of security, the publicity thereby given might be detrimental to the borrower's trade credit; and,

(e) That our present Canadian banking system is well adapted to the requirements of the country and has established our name abroad as a solid, stable country.

Manufacturers are being asked to consider these points in view of the approaching revision of the act. The act outlines that the bank may lend on natural products, agricultural products, merchandise, goods, etc., and that where goods are removed from warehouse and others substituted they become security. It continues:

The bank shall, by virtue of such security, acquire the same rights and powers in respect of the products, goods, wares and merchandise, stock or products thereof, or grain covered thereby as if it had acquired the same by virtue of a warehouse receipt; provided, however, that the wages, salaries or other remuneration of persons employed by any wholesale purchaser, shipper or dealer, by any wholesale manufacturer, or by any farmer in connection with any of the several wholesale businesses referred to, or in connection with the farm, owing in respect of a period not exceeding three months, shall be a charge upon the property covered by the said security in priority to the claim of the bank thereunder, and such wages, salaries or other remuneration shall be paid by the bank if the bank takes possession or in any way disposes of the said security or of the products, goods, wares and merchandise, stock or products thereof, or grain covered thereby.

Heavy Taxation is Strangling Prosperity

Reference to the extremely heavy government and municipal taxation which is strangling the purchasing ability of a very large percentage of the population was made at the annual meeting of the Canada Permanent Mortgage Corporation by both the president, W. G. Gooderham, and the general manager, George H. Smith. This taxation, they emphasized, was a serious obstacle which a revival of prosperity had to meet.

At the same time the company is using its capital to a large extent to finance the British and Canadian governments and Ontario municipalities, bonds and debentures in connection with which together with cash on hand aggregate $4,280,725 or 58.70 per cent. of deposits.

Swedish pulp mill owners threaten lockout, starting January 29, unless employes accept wage decrease. Arbitration of January 19 failed and 11,000 out of 17,000 workers in the industry are on strike.

Canada's Opportunity in World Business

F. C. Goodenough, chairman of Barclay's Bank, told the shareholders that "apart from the reparations problem the most important feature of the economic outlook is the Fordney-McCumber Tariff Act. This Act," he said, "might even lead to a diversion of our trade along new channels. It also will serve to raise prices in America and hamper American trade. If the Act remains in force, it will make it more difficult for England to discharge her debt to America.

"The effect of the new tariff compels us to seek new sources of supply of foodstuffs and raw materials and to develop markets in other parts of the world, especially in India, the Far East and in our dominions and colonies, who in turn can send those raw materials which America cannot produce herself."

The banker added, however, that "there is a general feeling that we have reached the end of a very bad time, and are entering a period of slow and steady improvement."

A CEMENT MARKET IN SOUTH AMERICA

British Columbia Industry Should Benefit From New Steamship Service

From Our Own Correspondent

VICTORIA.—One of Canada's industries which expects to derive substantial benefit from the establishment of regular freight service with Mexico and South American ports, as proposed by the Canadian Merchant Marine, is the cement business of British Columbia, which has in the past enjoyed an extensive business with that territory.

The British Columbia Cement Company is now the sole producer of cement in British Columbia, with two plants on Vancouver Island with a maximum capacity of 1,500,000 barrels a year. Their output is distributed throughout British Columbia to points on the C. P. R. and C. N. P. and by water northward to Prince Rupert and then to points east as far as Prince George.

The company has catered with considerable success in the past to the export business, shipping to markets in Australia and New Zealand on vessels of the Canadian Merchant Marine. The company has also made heavy shipments to Central American countries on the Pacific coast, including Mexico, Guatemala, Salvador, Costa Rica, Nicaragua and Panama.

Since 1920 the company has shipped 14,000 tons of cement to export markets out of the port of Victoria and with the restoration of markets that have been inactive during the last two or three years, as well as during the war, business on a much larger scale than ever before is the expectation of the company.

PULP AND PAPER EXPORTS IN DECEMBER

Value Lower for Month But Big Increase for Nine Months

From Our Own Correspondent

MONTREAL.—A bulletin issued by the Canadian Pulp and Paper Association shows that while pulp and paper exports during December were down $1,176,580 compared with one year ago, the nine months figures show a total of $88,320,722 as compared with $77,905,275 in 1921. Newsprint exports, for December, were 85,505 tons as compared with 72,659 tons in December, 1921. For the nine months to December 31, exports of newsprint were 725,888 tons as against 523,290 tons in 1921, an increase of 40 per cent.

Paper exports for December compare in volume as follows:

	Cwts. 1921	Cwts. 1922
Newsprint	1,453,195	1,710,110
Book Paper	1,307	1,650

They compare in value as follows:—

	1922	1921
Newsprint..	$5,708,178	$6,127,921
Book Paper	12,561	10,880
Other Paper and Manufactures ..	395,411	483,586
	$6,116,150	$6,622,387

December exports of pulp compared in volume as follows:

	1922 Cwts.	1921 Cwts.
Sulphate (Kraft) .	222,966	240,833
Sulphite, Bleached	252,039	307,428
Sulphite, Unblchd..	322,023	392,990
Mechanical..	602,985	750,793
	1,400,013	1,692,044

They compare in value as follows:

	1922	1921
Sulphate (Kraft)..	$ 714,533	$ 744,774
Sulphite, Bleached	1,094,469	1,260,028
Sulphite, Unblchd..	820,317	1,092,464
Mechanical..	997,712	1,112,117
	$3,627,031	$4,209,383

The principal countries of destination of these exports in December are shown in the following table:

	Paper	Pulp
United States	$6,068,934	$3,147,055
United Kingdom ..	158,610	302,038
Other Countries ..	394.843	177,938
	$6,622,387	$3,627,031

Pulpwood exports for the month were 85,744 cords, valued at $836,396, compared with 46,379 cords valued at $480,160 in December, 1921.

TO WORK ON NEWRAY

Newray's underground workings are being dewatered and it is believed that this week will see actual development started. It is understood that the plans for the property are to start diamond drilling. east and west along the 400-ft. level. It is understood that the Coniagas will also sink the shaft to lower levels. The company has already spent $18,000 on this property, mostly in diamond drilling.

DON'T PUT TOO MUCH FAITH IN THE GOVERNMENT

Sir Joseph Flavelle Talks About Developing Export Trade

"I never was in a price-making body, in my life," said Sir Joseph Flavelle, in the course of an address delivered to the export managers attending the Extension Course in Export Trade, at Toronto University. "Do not be one of those who are continually reiterating, 'What is the matter with the government? Why doesn't the government do this and do that for us?' Do not go after business through side-entrance or underground channels. Go after business yourself, persistently, and you will succeed. Manufacture an article just as your customers want it. The note of distinction in your product is what pays you."

Sir Joseph stated that he had spent the most strenuous years of his life in the export business. He traced the growth of exemplary Canadian business ventures which had been pioneers in their respective fields, and stated that character, adoption of high standards and determination to live up to those standards in every respect, together with a complete mastery of every detail of business constitute the principal elements which make for success.

There are many manufacturers who were altogether unfamiliar with what is going on in their own factories, and who incurred heavy losses as a result. Sir Joseph emphasized that a capacity for "seeing things which are going astray" is an essential in the successful export manager. "You have got to know your business in every detail, and you have to stick with it. Almost all the things that adversely affect your product are resultant from workmen taking 'short cuts.' They accommodate your work to their convenience, and while everything appears to be going smoothly on the surface, when you do have a breakdown, you will find that the whole structure was rotten. The tendency is always downward in the manufacturing business, and the recovery is dependent upon some one at the top, who puts his finger on the fault before it becomes acute."

Marketing Wheat

"I would like to see some sort of supervision arranged on Canadian wheat shipped to Buffalo," said Mr. Thomas Morton of Western Canada Flour Mills, in the course of his address. "The Americans are buying this wheat in bond, and are paying no duty on it, for the reason that it is supposed to be exported; that is, when a blend is made of at least 60 per cent. Canadian product.

"What proof have we got that the balance (40 per cent.) is not being used to compete with Canadian flour which pays a duty of $1.54 per barrel when entering the United States?

"If you really understand transportation, and stand in with the men who are handling transportation—considering them as being part and parcel of your own organization—that is half the battle in the export game. To thoroughly understand exporting, everyone must exercise imagination, and put himself in the other fellow's place. Wheat is looked upon as 'gold' by the farmer. At Fort William there is now elevator capacity sufficient for the storage of 55,000,000 bushels of wheat. Millions of dollars are even now being spent on the building of elevators, so that wheat may be stored at the seaboard, and thus be available readily when required for shipment.

"As exporters you must know just what it will cost to put any article at any given point. We hear a great deal from Canadian farmers about their 'paying too much to the railways.' Freight rates from the Western United States to Duluth are much higher than they are from Western Canada to Fort William. When you hear about the Canadian farmer in the West being up against it, you can tell him that United States farmers are very much more up against it. We also hear much about the 'smuggling' of Canadian wheat across the United States border from the prairie provinces. There can be very little of any such thing. If wheat were smuggled across the border, it would cost 15 cents more per hundredweight to ship it East on American railways than it would on the Canadian side.

"We have something a little better in the way of wheat in Canada than they can produce in the United States. Once we get into a market, if we aren't held out by heavy duties or by an embargo, we can stay with the Americans and we can beat them. We Canadians live up to our samples. You can buy ten different flours under the same American brand—and I can tell you the name of the brand if I wished. Remember this: when you sell a man anything, give him the quality, or you will be found out, and be the loser in the end.

"Canada will progress or recede in just such proportion as we ship our products from this country. The prosperity of the Dominion is indissolubly tied up in the export business. Even if you have to carry on at a loss sometimes in a foreign market, do so; for the time will come when you will need that market, and then your goods will be known there.

CLIFTON TO DEEPEN SHAFT

The shaft of the Clifton Mine at Porcupine is to be sunk to a depth of 700 feet. Tenders are being called.

THE UNION BANK OF AUSTRALIA, Ltd.
Established 1837. Incorporated 1880.
Capital Authorized and Issued £9,000,000
Capital Paid Up £3,000,000
Reserve Fund £3,250,000
Reserve Liability of Proprietors £6,000,000
Head Office 71 Cornhill, London, E.C. 3
The Bank has 187 Branches, viz:
In Victoria 43
In New South Wales 42
In Queensland 19
In South Australia 14
In Western Australia 20
In Tasmania 3
And in NEW ZEALAND 46
Drafts upon these Branches are issued by the Head Office and may be obtained from the Bank's Agents throughout the world. Commercial and Circular Travelling Credits issued —available throughout the world. Cable transfers are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

THE MOLSONS BANK
INCORPORATED 1855
Capital and Reserve $9,000,000
Over 125 Branches.
The Molsons Bank is an important factor in Canada's business prosperity. It is supplying adequate banking facilities to many branches of industry and agriculture, firms and individuals and thereby is contributing to the development of their affairs. Savings accounts are solicited as well as commercial business.
Edward C. Pratt
General Manager

Robert Cassels W. G. H. Browne
A. M. Brown.
Cassels, Browne & Co.
Members Toronto Stock Exchange
601 Colonial Building
TORONTO
Direct Private Wire to New York, Chicago and Washington

VERSAILLES-VIDRICAIRE-BOULAIS
LIMITED
Investment Bankers
MONTREAL QUEBEC OTTAWA
Quebec Municipals and Industrials a specialty

SECURITY—THEN PROFIT
ANGUS MACDONALD & CO.
C.P.R. BLDG. TORONTO
Adel. 5268
Specializing in High-Grade Securities

WESTERN HOMES
LIMITED
WINNIPEG, MAN.
Capital Authorized $5,000,000.00
Capital Subscribed $2,001,000.00
Mortgage Investments
Available shares afford a safe and profitable investment for savings. For full particulars write the Company's office, Confederation Life Building, Winnipeg.

WESTERN BOND ISSUES
We Specialize in Western Provincial, Municipal and School Bonds
Lougheed & Taylor, Limited
CALGARY, ALTA.

Union Trust Company Limited
TRUSTEES, EXECUTORS
4% Interest on Deposits
Winnipeg TORONTO London, Eng.

DIAMONDS
Be sure and see our Stock of Diamonds. We guarantee to save you money.
JACOBS BROS.,
15 Toronto Arcade

LEGAL

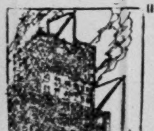
CROSS, JONAH, HUGG & FORBES
Barristers, Solicitors, etc.
J. A. Cross, K. C., E. B. Jonah, R. W. Hugg, G. W. Forbes,
409 McCallum & Hill Block
REGINA, SASK., CANADA.
Cable Address "Cronah."

KINSMAN & PORTER
Barristers, Solicitors, etc., 70 Western Trust Building, Regina, Sask., Canada.
Reference:
THE COLONIAL INVESTMENT & LOAN COMPANY,
Toronto, Ontario.

ARCHITECTS

BUILDINGS
Erected
Repaired
Appraised
For any purpose in any part of Canada
POOLE CONSTRUCTION COMPANY, LIMITED
Contractors and Engineers
Regina Sask. Edmonton Alta.

Anglin-Norcross
(LIMITED)
Contracting Engineers and Builders
MONTREAL TORONTO HALIFAX



SHARP and HORNER
Architects
73 King St. West
TORONTO

ESTABLISHED 1912
CHARLES S. COBB
ARCHITECT
71 BAY STREET, TORONTO
TELEPHONE AD. 3187

ENGINEERS

It Costs a Few Cents an Acre to Have
Timber Estimates
Made by safe, reliable men.
JAMES W. SEWALL
Forest Engineer.
OLD TOWN, MAINE.
DAVIDSON BLDG. WASHINGTON, D. C.
LARGEST CRUISING HOUSE IN AMERICA.

The Mercantile Agency
R. G. DUN & CO.
Consult us before extending credit or if customers are delinquent.
Canadian Offices:
Halifax, St. John, Quebec, Montreal, Ottawa, Toronto, Hamilton, London, Winnipeg, Regina, Moose Jaw, Saskatoon, Calgary, Edmonton, Lethbridge, Vancouver, Victoria.
Address enquiries to
R. G. DUN & CO.
Dominion Bank Bldg., Toronto, Can.

This cut represents a Cadillac Limousine Body which was shown at the National Exhibition and was pronounced a perfect model of design and craftsmanship.

Bodies to Order

Touring Cars or Roadsters, sound in construction, but looking shabby, can be recreated with Custom Built Bodies into practically new Limousines, Sedans or Coupes, and features of your own choice incorporated in construction. Ship your old chassis to us, or have it driven to our plant.

Our Designers and Craftsmen are experts.

Write for particulars and pictures of bodies we have already built.

We Build Taxi Cab Bodies to Order.

Carriage Factories,
Limited
The Premier Coach Builders of Canada
ORILLIA, ONT.

NATIONAL LINES ARE NOT BEARING BURDEN OF DEBT

Capital Charges Should be Adjusted to Judge Results

IMPROVED SHOWING

Taxpayers of Canada are Looking to Sir Henry Thornton for Relief—Outlook is Now Brighter

From Our Own Correspondent.

OTTAWA.—While official figures are not yet available, it is understood that the Canadian National did a shade better than make one hand wash the other in 1922. That is to say, operating revenues and operating expenses showed a slight credit balance in favor of the former. This result has very naturally given heart to the Canadian people, and leads them to hope that Sir Henry Thornton will pull the government system out of the hole into which it had fallen in other hands. At all events, there is a general belief that he will arrest the rising volume of burden on the public treasury.

It has been announced that the book value of the 22,646 miles of road which compose the system is $1,892,577,750. Details, however, are lacking. A salient defect in all statements which are issued in relation to capital account and liability is the accounting methods that prevail. No one, for example, may say at this juncture what would be the true capitalization of the entire government system if a statement were made up on precisely the basis which corporate railways are obliged to observe. In other words, one looks in vain for a sound and accurate statement, such as any business concern would make to its shareholders.

When considering the question of the actual loss which the people at large are bearing, it should be borne in mind that there is a vast amount of invisible liability. For example, the National Transcontinental, the Intercolonial and Prince Edward Island railways, together with the abandoned Hudson Bay, the Quebec Bridge and hundreds of miles of branch lines have no securities of any kind outstanding. They were in the first instance paid for with money provided by the public treasury, without the bonds for that purpose being earmarked, and all interest charges and losses have in the same way been absorbed into the public debt.

The Hidden Debts

The irregularity extends farther than that. Huge capital advances have been made to all the units composing the system. To such as were made to the Canadian Northern, the Grand Trunk Pacific and the Grand Trunk there is a fairly accurate record if one knows where to look for it; but it is almost impossible to find out anything at all about the old government lines. Just as all the primary outlay passed into the public debt, or was met out of consolidated revenue, so interest charges, deficits and so on, have from year to year been hidden away from public view. The facts could no doubt be dug out of the public records either here or at Moncton; but it would take a staff of accountants some time to do it.

The point which calls for emphasis is that now, at the outset of Sir Henry Thornton's gigantic work, a correct capital account should be set up. It would probably startle the people of Canada and possibly the people of other countries; but it has got to be done sooner or later. It will not alter the real situation to the extent of a single penny. It will merely reveal the truth. And the truth should be known. When Sir Henry Drayton was at the head of the Railway Commission he frequently called attention to the unsoundness of government accounting methods. When he became Minister of Finance he had several important and necessary changes made in public accounts. He even promised to have a true capital account of government railways worked out. But nothing was done. The actual state of affairs will never be known until standard accounting is applied.

Menace to Good Service

The Wall Street Journal, commenting on the facts with respect to last year's operating results and the probable course of events under Sir Henry Thornton's administration, alludes to two things; first, the danger of the government system becoming the plaything of politics, and second, as a consequence of such interference, the menace it will be to the Canadian Pacific. Both are possible. It would perhaps be unjust and malicious to assume that politics will come into the operation of the system after the care Sir Henry Thornton has taken to prevent it, but we all know that if he excludes the play of politics within the board he cannot possibly protect himself against political manipulation in Parliament. The second danger is, however, more serious. If the strength which the Canadian Pacific gives to Canadian credit through its conspicuous success as a sound commercial enterprise were in any way impaired, the effect would be disastrous. Yet the Canadian National has it in its power, with the public treasury at its back, to carry on a ruinous competition for traffic.

Turning back to the starting point, it is merely self-deception on the part of the Canadian people to assume that an operating credit balance of a small sum in 1922 wipes out the burden attaching to our publicly owned railway system. To reach that result, capital advances from the Dominion treasury have had to be made which, on their part, create fixed charges quite equal to the money saved on the operating side. It is to the cutting down of that monumental sum, which correct accounting could not possibly reduce below $100,000,000, that Sir Henry Thornton and his associates will find a challenge to their best sagacity.

BRITISH FUNDS WHEN EXCHANGE IMPROVES

Mortgage Money Being Held Pending Rise in Sterling—A General Trend

In connection with the increase of $1,346,163 in the amount of debentures payable in Great Britain by the Canada Permanent Mortgage Corporation—in addition to increases of $323,803 in debentures payable in Canada, and $555,233 in deposits—it was explained at the annual meeting of the shareholders that the British money cannot yet be profitably brought out to Canada but in the meantime is invested in the highest class of British government securities. In view of the rapid advance sterling exchange has been making towards normal there is promise that before long this money can be made available for loaning in Canada. This explanation leads to the conclusion that it is altogether likely that in other directions also steps are being taken to make available for Canadian investment large sums of British capital just as soon as exchange warrants its being placed here.

George H. Smith, general manager, claims that the policy had been followed of making allowance out of the year's income for all charges and commissions in connection with securing the new British capital referred to so that it should have a favorable influence on the profits of the Canada Permanent over a period of years.

Oxford-Cobalt Has Funds for New Work

The Oxford-Cobalt Silver Mines have disposed of a block of stock to the different shareholders, thus securing capital to carry on development work at deeper levels. The shaft will be sunk to 150-ft. following the obtaining of some excellent ore in a winze just below the present workings. When this work was decided upon by Manager J. W. Rusell, a circular was sent out to the shareholders offering them an opportunity to increase their holdings, so as to provide funds to carry on the work. The offer was more than subscribed. The work has been started again.

SIR ROBERT HORNE WAXES PESSIMISTIC

Thinks Europe Will Suffer Collapse Such as World Has Never Known

Sir Robert Horne, late Chancellor of the Exchequer, and one of the finds of the war, in a speech at New York said:

"I am certain that Anglo-American friendship is of great influence and there never has been a time when such a force was more necessary than it is to-day. At no time has a watching angel ever seen the world in a more confused and troubled state. On this side of the water perhaps you do not realize as we do the terrible devastation of war. And the spirit of war is still alive among multitudes of people who have no idea other than making a test of force.

"Some of the great countries of Europe can perform scarcely any function at all. Russia, which used to supply a large part of Europe's food, we have seen in shambles and now is a desert. Austria is bankrupt and some of the small countries around her can hardly raise enough to supply sustenance.

"The result is that England, through the failure of her customers, is carrying an intolerable burden of unemployment. And now France and Germany are in conflict again and the end of this no man knows. Ardent as we may be for a solution some of us are greatly fearful that the results will be worse than the condition that has existed.

No Sympathy for Germany

"I have had some responsibility in the past for the British policy in these matters and I have the greatest sympathy for France. I have none for Germany. I have none for Germany because, whatever her condition, at least in the early days after the Treaty of Versailles, Germany took devious ways of avoiding her obligations. She is suffering now, and suffering very bitterly, for her methods. As Chancellor of the Exchequer, and a Scotch Chancellor at that, I wanted to see the color of Germany's money. I've never been able to discover it.

"It is my personal point of view that one of the great complaints against Germany is that she has been sending her capital out of the country to avoid her obligations. The only way to keep capital in Germany is to make the German capitalist believe that Germany is a fit country for a capitalist to live in. To do that you must create a confidence in Germany, and you cannot get that confidence if you seize by force any of the materials or agencies which she needs to maintain that confidence.

"I am glad to see that my view is shared by many practical people here. I hope we are both wrong; but if we are right you are going to see in a very short time in Europe a collapse of civilized society such as the world has never known. It must fill most of us with great anxiety."

ORDER FOR RAILS

R. W. Childs, Philadelphia, is a new director of the Lake Superior Corporation, succeeding C. M. Brown. The Algoma Steel, a subsidiary, has an order for a considerable rail tonnage and is preparing to resume work.

ST. JOHN WANTS MONEY SPENT ON BETTER HARBOUR

Senator Thorne Argues That All Canada Would Benefit

That the development of Canada's Atlantic seaports has not kept pace with railway construction, is the contention of Senator W. H. Thorne, of the big hardware house of W. H. Thorne & Company, St. John, in writing on "Our Railways and Ocean Ports," in Hardware and Metal. Senator Thorne declares that millions have been spent for railways and terminals at Port Nelson for a trade that does not exist, that millions have been spent in Quebec for docks that are idle or not being used during the shipping season, that millions have been spent in terminal improvements in Toronto for trade that does not exist, that millions have been spent in developing Pacific seaports, that millions have been and are being spent in developing and improving the St. Lawrence route between Quebec and Montreal and that while these hundreds of millions have been used for transportation facilities little or nothing has been spent in St. John in providing terminals and equipment to promote traffic for the government system of railways.

According to Senator Thorne, the trade of Canada through the port of St. John demands additional docks on the west side, extension of the present breakwater to Partridge Island, thereby giving protection to the harbor and providing suitable space for extension of docks, the replacing of the temporary wooden warehouses on the docks with fire-proof buildings, the acquisition of modern and up-to-date equipment for loading and unloading vessels and increased elevator accommodation. These demands, he says, are not based upon the expectations of the future but upon trade that already exists and for which the facilities are entirely inadequate. He realizes that it is a time when expenditures should be restricted, but declares that no sane business man would allow opportunity to pass by for increasing trade which exists and which would make immediate returns.

"If citizens throughout this great country would work together for the future development of Canada," he continues, "and make this port the best equipped on the Atlantic coast, vessels in the overseas trade will seek the port and we need not fear the competition of Portland or any other seaport on the Atlantic coast. Millions have been and are being spent on public works that bring no results. The immediate development of the port of St. John will give results and create business for our railways and will contribute to wipe out the heavy deficits that have occurred for many years. How long will it take the citizens of Canada and the government to realize that St. John can be made a great winter port to the advantage of prosperity of our common country?"

Senator Thorne points out that in the past both political parties have time and again committed themselves to the principle of developing traffic in both East and West by the railways and the use of our own seaports to best serve the interests of Canada. With this in view the Laurier government after coming into power in 1896 appointed a commission with J. H. Ashdown as chairman, to investigate and report to the government the best means of carrying out the development of this proposition. That report dealt with the proposed developments at St. John. Commencement was made by building some docks and the Beacon bar was removed in order to carry out the plans laid down, but there, according to the Senator, the work stopped. Plans were acceptable, he argues, and the work should have gone on to completion in which case there would not have been the congestion which is apparent nearly every winter; as many as eight steamers have been counted in the harbor awaiting berths.

Senator Thorne would also like the government railways to build a new passenger station in St. John.

Strength of Pound Helps Packing Industry

Following the almost disastrous conditions in the packing trade in 1921 there was a distinct improvement last year but it would be over optimistic to say that the industry either in Canada or the United States has yet established normal conditions. The big factor for improvement has not been so much in domestic consumption as in the substantial restoration of the buying power of the pound sterling which has greatly aided British export. On the other hand, however, the crisis in Europe is greatly interfering with the market there and this is a very important factor in the whole American packing industry. Whether there will be continued improvement in the immediate future depends in a very large degree upon the restoration of more ordered conditions in Europe.

HELPS BRITISH TRADE

F. W. Hirst, editor of London Statist, in dispatch to American, says "interruption of railroad transit by Ruhr occupation and reduction in coal, iron and steel output in France and Germany has stimulated these branches of British trade. Swedish and Danish State railways are also buying heavily. Prices of steam coal and coke are rising. Orders for British pig iron and finished steel are multiplying, and values are hardening."

The Best Way

DON'T risk loss by enclosing cash in your letters. You will find the Money Orders issued by this Bank a safe and convenient way of paying your out-of-town accounts.
Our Teller can issue them without delay at the same cost as Post Office or Express Orders.
WE WELCOME YOUR BUSINESS

THE CANADIAN BANK OF COMMERCE
Capital Paid up $15,000,000
Reserve Fund $15,000,000

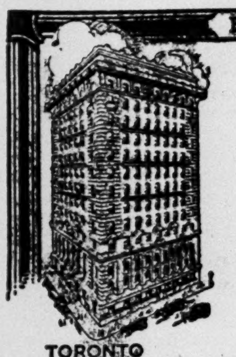
Your Own Forgetfulness

FIRE or theft may at any time cause you serious loss or great inconvenience in replacing or locating your valuable papers, etc. For a very small sum—often less than the cost of replacing a document, you can rent a Safety Deposit Box.

THE ROYAL BANK OF CANADA

251

ESTABLISHED 1872



THE immense resources of Canada must be developed to increase production of wealth sufficiently to take care of the country's indebtedness and to stimulate a continuous healthy growth. The Bank of Hamilton stands behind increased production and legitimate business enterprise.

BANK OF HAMILTON
BRANCHES THROUGHOUT CANADA

The Wabasso Cotton Company, Limited
THREE RIVERS, P. Q.
Manufacturers of Fine White Cotton, also Spinners' Fine Counts of Yarns

Dominion Textile Company
LIMITED
Manufacturers of
COTTON FABRIC
MONTREAL TORONTO WINNIPEG

Canadian Appraisal Co., Limited
Property Values Definitely Established to Meet All Insurance and Accounting Requirements
TORONTO ROYAL BANK BLDG.
36 UNIVERSITY STREET MONTREAL
NEW YORK EQUITABLE BLDG.

We Own and Offer—

City of Windsor
5½% Bonds

Maturing 1st June, 1946-1950
Interest payable 1st June and December
Denomination: $1000
Price: Rate to yield 5.40% according to maturity.

DOMINION SECURITIES CORPORATION LIMITED
HEAD OFFICE: TORONTO 26 KING ST. E.
MONTREAL ESTABLISHED 1901 LONDON, ENG.

News and Views for Investors

Mackay Common

Mackay Common which reached 118 on Friday last has reacted a little on heavy trading. There are views held by some that the buying is of the inside variety. Last November Mackay Companies increased its common dividend from 6 to 7 per cent., and followed this up a short while later by declaring an extra dividend of $10 a share. Whether anything additional can be expected at the time of the annual meeting, the middle of next month, is a mooted question. Apparently there are some who look for some further consideration.

Helpful to Twin Cities

Henry Ford has purchased a large site to erect a $10,000,000 plant at St. Paul. This will help the Twin City Rapid Transit. The plant will employ 14,000 workers. Probably a majority of the workers would reside in St. Paul, but almost as many are expected to be attracted to Minneapolis, as the Twin City Rapid Transit Co. has agreed to build a new interurban line through the Ford district.

Canada S. S.

Canada Steamships preferred was a weak issue earlier in the week, having strengthened somewhat since. On Saturday last, there was a decline to 45 on sales of 807 shares. The weakness continued on Monday and selling was heavier the total being 1092 shares. Tuesday saw the stock a little stronger with 1529 shares changing hands. Sales at 45 represent a 10 point decline from the 1923 opening. There are rumors that there was a raid on the issue but this hardly seems justified by the continued heavy trading.

Disappointment over the 11-month report ending Nov. 3, showing a material decline in earnings is said to have caused liquidation. It is being estimated that 1922 figures will show a decline in earnings of large proportions, three-quarters to a million from the 1921 total of $2,352,579. From this will have to be deducted the usual items which last year were bond and other interest $643,951; depreciation $787,126; bad debts of $30,000; directors' fees $28,650. Just what the policy of the directorate will be in connection with writing down their fleet is not known, but from official utterances from time to time, it is reasonable to expect that the line adopted will be to create as large a reserve as possible to offset any remaining high cost units.

Control Ames-Holden Tire

The purchase of controlling interest in Ames-Holden Tire, Kitchener, by the B. F. Goodrich Co. of Akron, gives this company the desired opening of being able to distribute tires in the British Empire. The company for many years has owned a rubber plant at Colombes, near Paris, where it has manufactured a full line of Goodrich products for continental Europe and the Yokohama Rubber Co. at Yokohama, from which it has supplied the Japanese and Oriental trade.

New plant at Kitchener has a capacity of 1,000 tires a day and its product will be sold not only in Canada but throughout the British Empire. Action in taking over the Ames-Holden plant follows the example of Goodyear Tire & Rubber Co. and Firestone Tire & Rubber Co. which both have plants in Canada to take advantage of colonial and revenue laws.

The Firestone plant was started into operation late in the fall while the Goodyear subsidiary has been in operation approximately five years.

HOLLINGER BUYING MACHINERY

Following the exclusive announcement of the solution of the Hollinger Gold Mines power troubles, by the handing over to them of the Island water power, north of Cochrane, by the Ontario Government, there has been a rush of salesmen to sell the large company mining and electrical machinery. It is understood that orders are about to be placed by the Hollinger for a large amount of new milling equipment so that when the power is available the mine will be able to double its tonnage.

CANADA'S OPPORTUNITY FOR HOME AND FOREIGN BUSINESS

(Continued from Page 1)

competed with the Colonies, and the Colonies had to suffer. Their influence was so strong that the Sir John Macdonald Chamberlain policy of preferential trade within the Empire was killed by underground methods and trickery. British finance is on its feet stronger than ever and British trade is rapidly recovering. Even in iron and steel, with all her handicaps, the Mother Country was exporting more at the end of last year than any country in the world. Our next best customer, the United States, is working into excellent shape. Therefore, with our two best customers, Britain and America, in the market for our goods and with money to pay for them, it is our own fault if we do not get the business.

Curzon a Danger

Lloyd George, the greatest menace to the Empire, has disappeared, for the present at any rate. He has just been abandoned in disgust by his last important friend, Viscount Burnham, who refused to give space in his paper, the Daily Telegraph, to the ex-premier's views on public questions. A source of danger still remains in Curzon. He has lost us immense territories and great prestige won in the war. It can only be by some underground influences that a man of his type has been allowed to remain in such a delicate position, fraught with such danger to the Empire.

There seems to be no telling how the German situation will develop. It is becoming quite evident now that the objective of a certain section of the French has all along been, not reparations, but acquisition of territory, and an ambition to replace Germany as the autocrat of the Continent. We are hearing a great deal about the turning over of Germany to Sovietism; but if Germany is able to retain her control of Russia, as she is likely to, she is more likely to roll back the French with Russian-German troops.

The American Settlement

A great deal of anti-American propaganda has been carried on in Canada, of a most dangerous type. Possibly the complete disappearance of Lloyd George and the temporary settlement of the war loans may end this campaign against the United States. It was unquestionably carried on by influential friends of the late Premier. Leading Americans and British, who have no personal interest to serve say that the action of busybodies on both sides of the ocean brought about conditions which prevented the British making nearly as favorable terms as the Amereicans were originally disposed, and were anxious to grant—and which they may yet grant when the activities of these busybodies are eliminated. It has been said that the Balfour note was one of the most costly ever written by a British politician. In this connection, the cables this week tell of a controversy between Campbell Stuart of the Times and Beaverbrook of the Express, both Canadians. Beaverbrook charges Stuart with being pro-American because the Times is now owned by one of the New York Astors, but Lord Beaverbrook is hardly a man to throw stones at the Americans. His friend and close ally is the distinguished New York banker, the genial Otto Kahn. It is common talk in international circles that Balfour objected strongly to the issuing of the British note on reparations and that the chief influence in forcing the note was Lord Beaverbrook himself.

Sir Robert Horne's Visit

Canadians who have been disheartened and disgusted with the workings of Imperial politics in the last three years have been greatly cheered and impressed by hearing or reading the addresses and interviews with the former Chancellor of the Exchequer, Sir Robert Horne, who is at present visiting Canada, where he and his friends have certain industrial and other investments. Sir Robert has been regarded in Europe by many as the political find of the war, and no British stateman who has ever visited Canada has created a more favorable impression of sincerity, integrity, capacity and affability. He has all of Balfour's frankness—the frankness and affability which enabled Balfour to create such a good impression in Washington. But Sir Robert is also a more lucid, convincing speaker, and a combination of astute politician and great statesman. During his public career, Sir Robert seems to have made but one mistake, his treaty with Russia; but, as Frank Munsey put it, in addressing the American Bankers' Association, the man who makes no mistakes is a drone.

LITTLE OF NOTE MARKED TRADING DURING THE WEEK

European Situation Continues to Exert Strong Influence

LISTS IRREGULAR

Prices for the Most Part Holding—Mining Trading Listless—Bonds Are in Demand

There has been little life to the markets of late. The European situation continues to exert a strong influence and price movements and trading has been irregular and spotty. The volume of business has not been large though at times some special issues have taken spurts and caused momentary interest. The list of stocks that could be placed in the active class was a narrow one. Gains and losses in prices have run about even.

Most of the steel and equipment issues have been firm and any recessions that have been recorded at all were fractional. Bank issues continue to present a solid front and a good share of the buying. For the most part these issues have either maintained or bettered their prices. Some of the tractions have been buoyant as have also some of the power issues. Paper issues were up and down while several specialties came in for considerable attention. The textile group was most irregular, one issue taking the honors in gains in one day's trading while another led in the declines. Oils have been in more or less demand with prices firm.

Bonds like bank stocks continue strong though the volume of trading is by no means large.

The mining market has been like the stock exchange lists, up and down. The list is featureless. Some of the gold leaders are maintaining their position, but some brokers state that this is because there is little selling. The smaller gold issues have been more or less stationary with a tendency to weakness. The silver issues are quiet.

There has been little in the week's trading that can be featured or that would give any indication to investors as to the possible trend of events, declared one broker. The nervousness over the European situation is the reason given. A couple of weeks ago. THE FINANCIAL POST commented on the fact that this nervousness, apparent here, was not shared by London investors who were buying quite heavily in the local market. A letter of Hoerner Smith & Co., from their London correspondent, serves to substantiate this view. The letter reads:

> "It is practically impossible to obtain Canadian stocks and bonds on our market. Those that still remain in our country are so firmly held that they rarely come into the market. People here are well aware of the Canadian absorption that is taking place, and are holding for higher prices.
>
> "The stock markets here, taking a general view, are inclined to be more active, as people are gradually regaining confidence. We look for an early settlement of the Turkish question, and regard the French move against Germany as a precursor to a definite basis being come to as regards reparations. From your side, we hope to hear of a final funding arrangement of the British debt to the United States. These three questions are the outstanding features which, given a solution, would cause favourable movements in all market."

The Bache Review sees hopeful signs from the French occupation of the rich Ruhr area, expressing the opinion, that in the end it may bring about a solution of the reparations problem which has been a troublesome and disturbing question for some considerable time. It is suggested that in the end the markets may become stabilized by the fact that this question may soon be settled once and for all. The Review says:

> What one reads in the newspapers does not give a very optimistic outlook for the Ruhr experiment, but when one studies the stock markets a different and more favorable story is conveyed. The quotations express confidence in the outcome. This may not mean as a financial success—forcing payment through net profits of the occupation, which it is doubtful whether the French ever expected—but a success in bringing matters to a head to settle the reparation question and assure payment through the holding of ample collateral. The Ruhr district is the collateral. It is the richest industrial district in Germany. It is the key to practically all German industry. It is estimated to contain 220,000,000,000 tons of coal. It is there that the great war-making machinery of Germany is located. If France should destroy or dismantle this machinery, she would shut off the threat of attack for many years—perhaps forever. The military and political control of this district puts in French hands a powerful argument for settlement. It is not probable that any sensational results will develop from Germany's resistance. Consequently, our markets are not influenced by the danger of these, and may even be stabilized by the fact that at last the reparation question is in definite course of being settled.

DEPARTMENT STORE NOW IN LIQUIDATION

From Our Own Correspondent

MONTREAL.—Announcement was made on Wednesday of the assignment of Almy's Limited, one of the larger department stores of the city and Robson & Foster as official liquidators took charge in the afternoon. The capital behind the store came from the United States mainly. Mrs. Almy, vice-president, who has been residing here as virtual manager for some months, and her son-in-law, D. S. Emmerton, are interested in "Gay Stores, Limited." The latter organization is not affected, however.

This store has had a fluctuating experience. It was formerly operated by W. H. Scroggie, Limited, who also went into liquidation. Mrs. Almy, who had contributed a considerable amount of capital for the Scroggie store then took over the business, Almy's being organized in January, 1915, with authorized capital of $500,000. The price paid for the Scroggie assets was 35 cents on the dollar.

Besides Almy's there are several other department stores in Montreal: Dupuis Freres in the East; Henry Morgan & Co., Goodwins, Murphy's and Ogilvy's.

The present company was then organized as a closed corporation with a directorate composed of Henry Wolf, New York, director and treasurer of the Syndicate Trading Company, a company especially formed as a purchasing channel for a number of department stores throughout the Eastern States. Mrs. Almy, the principal shareholder in Almy, Higlow and Washburn, Inc., department store proprietors, Salem, Mass.; Geo. A. Guy, of Brown and Thompson, department store proprietors, Hartford, Conn., said to be a capitalist of means; W. K. Bigelow, Warren E. Butler, C. E. Freeman, all interested in the American department stores' concerns, and Albert M. Weiner, wholesale woollens, Montreal, who, it is understood, operated the clothing department under a special percentage arrangement.

Almy's had a difficult position to develop from the start. The Scroggie business had been more latterly of a cheaper class of merchandise and Almy's endeavored to develop their ladies' wear and other upstairs departments to cater to a "better class" trade while leaving the ground floor much as it had been before.

TORONTO RAILWAY AWARD IS LIKELY TO BE APPEALED

Price to be paid by the City of Toronto for the traction properties of the Toronto Railway Company evidently is yet to be finally determined. The board of arbitration award this week of $11,188,000 has satisfied neither the city nor the railway and appeal to the privy council, with claims by both parties, seems inevitable. In fact, the award was made in such a manner as to facilitate an appeal on points of law. The arbitrators fixed prices for the railway on two different bases; one along the line of the city's claim and another along the line of the railway's claim. The definite award was between the two.

The stock market action following the award was significant. Although the stock has a value of well over par on the basis of the award there was but little movement on the exchange when the award was announced, the stock remaining around 92 after a few sales at 95.

If the city accepts this award the whole $11,188,500 will not be paid to the company. The city has already paid $500,000 into court and $1,000,000 direct to the company. The city also has claims against the company for $1,767,932 for percentages on revenue, with accrued interest thereon; $88,240 for snow removal and Queen street bridge account. These four amounts total $3,356,172, to be deducted from the total of the award. There must, however, be added interest on the amount of the award, less the $1,500,000 paid, amounting to $616,526, making the total due the company $11,188,500, plus $616,526, less $3,356,172, or $8,448,854.

There were several properties of the company which the city contended it had not taken over, and was not obligated to purchase. The majority award rules that the city must take the following: Power house property on Front street (part not originally taken by city), including land, buildings, tools and equipment, $140,000; storage battery properties on Front street, including land, buildings, structures, storage battery and equipment, $388,500; Sherbourne street storage yard and carpenter shop, parcel situate at Front and Frederick streets, $65,000; total, $593,500.

The award rules the city need not take the following: Main office building, $170,000; Scarboro' Beach property, $83,000; King street and St. Lawrence street property, $61,500; rolling stock, $10,000; patterns, $5,000; materials in stores and rolling stock supplies out of stores, $50,000; total, $379,500.

Contestants for a Part

On the basis of properties which the majority award rules the city must purchase, comparison of the prices set up by the city and by the company is as follows: City's contention, lowest basis, $5,373,271, 1921 prices. $7,135,770: company's claim, 1921 prices, $19,986,149. The company also sought $738,677 for the disputed properties which the award, says the city need not take, making the company's total claim $20,724,826. It will thus be seen that the $11,188,500 award is $4,052,730 more than the highest price the city was prepared to pay, and $9,536,326 less than the company was asking for.

The arbitrators state that, having regard to all considerations, they find that the value of the property, plant and equipment and works actually taken over by the city on September 1, 1921, and about which there is no dispute between the city and the company, amounts to $10,645,000. On the two bases of valuation rejected the prices for these properties would be as follows: On company's three-year average basis, $11,088,000; city's trend basis, $7,180,000.

UNLISTED SECURITIES

	Bid	Asked
Abitibi G. Mtge., 6's, 1940	94½	95½
Algoma Steel, 5's	..	35¼
Alta. Pac. Grain, pfd.	88	90½
Do., com.	105	112
American Sales Book, 6's..	97¼	..
B. P. & P., 8's, 1941	104½	106½
Can. Machinery, pfd.	34½	38¾
Can. Westinghouse	117	..
Cock. P. pfd. 7%	40¼	45¼
Davies, Wm. Inc. 1942 ...	..	99
Durant Motors	12	13
Dunlop Tire, pfd. 7% ..	79¼	83
Do., 6's	96½	..
Eastern Car, 6's	92½	95
Eastern Theatres, pfd.	67	..
Do., com.	6¾	7½
F. Play., pfd. 50% com...	72	..
Gunn's, pfd...	38¼	..
Goodyear Tire, com.	16	..
Harris Abattoir, 6's	98¼	..
Home B. of C. 7%	96½	100
Inter. Milling, pfd. 7% ..	88½	..
Do., 6's	94½	..
King Ed. Hotel, 7's	83½	85
Manuf. Life 20% paid ..	46	..
Massey Harris	49	52½
Mattigami P., deb.	27	31
Milton Pressed Brick	33½	..
National Life, $25 paid ..	50	..
Nia. St. C. & T., 5's	85½	..
N. S. Steel, 6% deb.	86¼	89
R. Simpson, pfd. 6%	88¼	89½
Spanish River, 8's	104½	106½
Sterling Bank	106	110
Sterling Coal, com.	20	22½
Toronto Paper, 6's	92½	..
Toronto Power, 5's	98½	100
T. & Guarantee, 6%	70½	74
Western Assurance	5	6
Brit. Amer. Assurance ..	5	6¾
Western Power, com.	35	..
Western Grocers, pfd.	58½	..
Whalen Pulp, pfd.	..	20½
Do., 7% deb.	56	60

True Value

To find the Basis of Safety in investing consider value of property back of the bond

1. Value of land, buildings and equipment over $6,400,000
   Bond Issue . 2,500,000
2. Does your claim command payment before other obligations?
   It is an absolute First Mortgage.
3. Has the property sufficient earning power?
   Bond interest earned over 3¼ times.
4. Is property well covered by insurance?
   $2,700,000, also a revenue policy.

Windsor Hotel
Limited
6½% 1st Mortgage Bonds
Due Jan. 1st, 1943

Price and full particulars on application

NESBITT, THOMSON
and Company, Limited
305-7 Bank of Hamilton Bldg.
TORONTO
Montreal Hamilton
London, Ont Winnipeg
203

7%
(together with conversion privileges which should prove valuable)

Anaconda Copper Mining Company

15 Year 7% Convertible Debentures
Due February 1st, 1938
Interest payable 1st February and 1st August.
Principal and Interest payable in New York.
The Anaconda Company is one of the leading industrial corporations on this continent.
We recommend these Debentures. Circular on request.

The National City Company
Limited

10 King St. East
TORONTO
Tel. Main 6120

74 Notre Dame St. W.
MONTREAL
Tel. Main 6493

THE NATIONAL CITY COMPANY
NATIONAL CITY BANK BUILDING
NEW YORK

FIDELITY INSURANCE COMPANY OF CANADA

A. E. KIRKPATRICK, President. SIDNEY W. BAND, Vice-President. W. R. KIRKPATRICK, Secretary-Treasurer.

FIDELITY, CONTRACT, JUDICIAL, OFFICIAL BONDS—PLATE GLASS INSURANCE.

Annual Meeting, January 22nd, 1923

The Company wrote its first policy in Canada on March 20, 1922. Net premiums written to 31st of December, 1922—$31,417.55, with no losses.

During the year 172 agents have been appointed in different parts of Canada. This is only a beginning because there are sections of the field which are still open for agency appointments.

The Company's charter permits it to write:

Guarantee
Burglary
Accident
Sickness
Automobile
Plate Glass
Forgery
Fire
Inland Transportation
Inland Marine

The Company commenced with Guarantee business and added Plate Glass to its operations in December, 1922. Other lines will be considered as the business develops.

Applications for Agencies Invited

BALANCE SHEET, 31st December, 1922

ASSETS

Invest'ts in Bonds and Debentures	$276,457.69	
Interest due and accrued	4,242.32	$280,700.01
Cash in bank		33,886.92
Outstanding Prem's	5,528.98	
Less reserve for commissions ...	1,495.85	4,033.13
		$318.620.06

LIABILITIES

Capital stock authorized $1,000,000.00		
Subscribed, 2,500 shares of $100 each	$250,000.00	
Less unpaid	7,804.00	
	242,196.00	
Premium on capital stock	50,000.00	
Surplus account ..	1,061.06	293,257.06
Sundry creditors ..	10,288.96	
Due re-insurance companies	6,345.38	
Reserve for Dominion and Provincial taxes	500.00	17,134.34
Reserve for unexpired premiums...		8,228.66
		$318,620.06

Toronto, 16th January 1923. Referred to in our report of this date.
CLARKSON, GORDON & DILWORTH, Chartered Accountants.

FIRST IN THE NORTHWEST

Every Problem of Trust

We are able to give complete service in every department and in every act in which a Trust Company can be of use. Consult us concerning all your needs.

229

NORTHWESTERN TRUST COMPANY
H.R.S. McCABE MAN-DIR. J.F.C. MENLOVE PRES. AND GEN-MAN. F.O. MABER SEC-TREAS.
NORTHWESTERN BLDG. 166 DONALD ST., WINNIPEG CAN.

THE
ROYAL TRUST Co
EXECUTORS
AND
TRUSTEES

STOCK OPTIONS

A call on Pan-American Petroleum, Studebaker or California Petroleum, taken approximately two weeks ako would show about a 12, 11 or 10 point net profit, respectively, to date, while at the time of the purchase the trader knew that his cash loss could not exceed 1 1-2 points for thirty days. Every day opportunities such as illustrated above are awaiting your action. Let us write a paper for you on your favorite stock for 7, 15 or 30 days.

E. S. ARMSTRONG
New York Philadelphia.
ROOM 3, 107 BAY ST.
TORONTO
Adelaide 8268-9.

MONTHLY REPORT ON MONEYS PAID MUST BE STAMPED

Wholesalers and Manufacturers Must Affix Stamp in Such Cases

If the sales slip of a C. O. D. order calls for the payment of a sum over $10 and the receipt is marked paid, the receipt tax must be applied, Ottawa has ruled. It is also ruled that customers cannot evade the tax by paying for small articles one at a time and getting a receipt for each individual one so as to keep below the $10. The department has ruled that if the total transaction is over $10 them the tax applies.

Another point raised is that merchants might tear off the carbon copy of a counter cheque given to a customer and stamp the duplicate paid before the customer's eyes. This would satisfy the customer as evidence that the merchant's receipt be stamped paid and yet the customer's receipt would not be so stamped.

This practice would provide excellent protection for the merchant, but would be illegal according to the following ruling: "In the case where a sale is made in excess of $10.00, the original counter sales slip being handed to the purchaser and the stamp attached to the carbon copy, which is retained by the merchant, this would not conform to the Act, as it requires that the receipt given to the customer must bear the stamp."

Ottawa has also ruled, that in regard the affixing of stamps to pay rolls, employers if they so desire, may do so for the amount of the total tax payable in respect of the receipts taken.

In response to an inquiry from A. C. Pyke, secretary of the Canadian Wholesale Grocers' Association, the Customs and Excise Department at Ottawa, states that a notation on a statement rendered by a wholesale firm at the end of the month, showing the payment of money on account, is subject to the stamp tax on receipts, provided the amount acknowledged as having been received is ten dollars or upwards. This ruling is explained in this way. A retail grocer owes his wholesaler, say $120. He pays $40 this week and in a fortnight pays another $40. On each payment the wholesaler has to affix a receipt stamp, and continue to do so each time an amount is paid, providing it is $10 or over, until the account is paid in full.

WESTMOUNT REDUCES LIGHTING CHARGES

Down to 4¼ Cents to Meet Competitors—350 Electric Stoves Supplied

From Our Own Correspondent

MONTREAL.—Following the reduction in electric rates by Montreal Light, Heat and Power Consolidated and Public Service Corporation, now the Quebec-New England Hydro-Electric Corporation, the city of Westmount which runs its own light and power department, announced a reduction from a net of 4¾ cents to 4¼ cents per kilowatt hour. The Westmount municipal plant was in direct competition with Montreal Power and the Quebec-New England Corporation.

It is over sixteen years now since Westmount went into the municipal lighting business, primarily as it was found to be economic to combine development of power with the consumption of garbage in the municipal incinerator. In adddition to what it produces in its own plant it purchases power wholesale. Sixteen years ago the rate was 12.75 cents which was similar to that charged by the companies in Montreal. Since then the rates have gradually come down until they are now just one-third what they were at that time.

The rate for the use of electricity for stoves and small household motors is 2½ cents an hour. When the house is closed up for the summer months the rate is 1½ cents, with a service charge of $2 a month. For domestic lighting there is a meter rental of 15 cents a month similar to that charged in Montreal. Westmount reports 350 electric stoves in use representing about ten per cent. of the total amount of customers which is about 3,500. The wires in Westmount are under ground.

C.P.R. ENDS YEAR WITH INCREASE OF $2,000,000 IN NET

Remarkable Showing After Running Behind 1921 for 10 Months

AHEAD OF DIVIDEND

Margin of About 1 Per Cent. on Railway Account—December Showed Net Up $1,500,000

MONTREAL.—The Canadian Pacific Railway Co. ended its year with a rush, and, after a very unpromising beginning which continued well past the first half of the year, closed with an increase of $2,099,951 in net earnings as compared with the year 1921. The total net earnings for the year amounted to $36.301,691 as compared with $34,201,740 the previous year. The gross earnings for the year 1922 amounted to $186,675,035, as compared with $193,021,854 in 1921, a decrease in gross of $6,346,818. The Company was able, however, to cut down its operating expenses by $8,446,769, leaving the net increase as given above. Up to the end of October the Company had shown a decrease in net as compared with 1921, so that it was the very heavy gross and net earnings for the final months of the year that finally pulled the Company over the top in the way of an increase. At the end of November this increase amounted to $552,928 as compared with a decrease shown at the end of October of $1,500,000. The net earnings as they show for the year 1922 are the largest since 1917.

Dividend Position

It is now possible for us to estimate fairly closely the dividend position of the Company for the past year. Taking the statement for 1921 there were fixed charges of $11,519,000 and a pension fund of $500,000 and preferred dividends of $3,227,276, total deductions from net earnings of $15,246,348. The issue made towards the end of 1921, however, will add to the fixed charges a considerable net amount so that the deductions may approach $16,000,000 but this will still leave, however, $20,000,000 of a balance available for the 7 per cent. on the common stock which calls for $18,200,000. This would leave a balance of a little over $2,000,000 leaving the net earnings close to 8 per cent. on the common stock. The net earnings in 1921 were 7.29 per cent.; in 1920, 7.17 per cent.; in 1919, 7.32 per cent.; in 1918, 7.85 per cent.; and in 1917, 11.78 per cent. When it is considered that the huge gross earnings piled up within the last four months of the year were lessened very considerably by the sharp cut in rates for grain and flour, the final showing will be viewed with marked satisfaction by the shareholders.

In addition to earnings from the operating of the railway the company has a source of income called "special income account" out of which the balance of 3 per cent. dividend—making up the 10 per cent.—is ordinarily paid. In the year 1921 there was a margin of $3,187,199 over this 3 per cent. in the "special income account," and $3,166.448 in 1920, and it is presumed the figures for the past year will stand up quite as well.

Below are given comparative figures:

December Figures

	Dec. 1922	Dec. 1921	Inc.
Gross	$17,365,639	$15,756,923	$1,608,715
Op. exp.	13,900,834	13,839,142	61,692
Net	$3.464,805	$ 1,917,781	$1,547,023

Full Years Compared

	1922 $	1921 $	Inc. $
Gross.	186,675,035	193,021,854	*6,346,818
Op. Ex.	150,373,344	158,820,114	*8,446,769
Net	36,301,691	34,201,740	2,099,951

*Decrease.

December Gross and Net

December	Gross	Net
1922	$17,365.639	$3,464,804
1921	193,021,854	34,201,740
1920	20,604,167	2,222,072
1919	17,025,583	1,682,176
1918	15,750,854	2,811,011
1917	13,070,882	3,911,278

Full Years Compared

	Gross	Net
1922	$186,675,035	$36,301,691
1921	193,021,854	34.301,740
1920	216,641,349	33,153,044
1919	176,929,060	32,933,036
1918	157,537,698	34,502,387
1917	152,389,334	46,546,018

PRICE BROS.' NEW $10,000,000 ISSUE

Calling in Present Issue to Make Way for Larger First Mortgage

From Our Own Correspondent

MONTREAL.—Announcement is made by Price Bros. & Co., that they are calling in their outstanding 5 per cent. bonds at 102½ and accrued interest to May 1, the date set for the redemption. Notice to that effect is being given by the Montreal Trust Company, the trustees for the bondholders. These bonds are dated Nov. 1, 1910, and in the last annual balance sheet as of Feb. 28, 1922, the amount outstanding was $4,770,696, less $1,228,833 redeemed and $385,447 was available for further redemption. The Bondholders are requested to present their bonds for redemption on May 1, 1923, at the Montreal Trust Company in the City of Montreal, or at the office of the Bank of Montreal in the City of Montreal, Toronto or Quebec, or at the Agency of the Bank of Montreal in the City of New York, or at the office of Parr's Bank, Limited, in London, England.

Interest on the said bonds will cease to accrue from and after the first day of May, 1923.

THE FINANCIAL POST understands that this is merely a prelude to a new issue in the neighborhood of $10,000,000, which would thus become first mortgage bonds. The purpose of this would be to provide capital for the first unit of 200 tons a day capacity (out of a total contemplated of 600 tons) to be constructed at Kenogami. These bonds have been selling around 93 and some months ago were down as low as 87, which would give a profit of over 15 points at the redemption price.

Canada Lets Chinamen In and Turns Back Settlers from States

Ottawa Doing Little of a Constructive Character to Increase Population—Labor Regulations Are Still Stringently Enforced

From Our Own Correspondent.

OTTAWA.—The work of launching a more vigorous immigration policy proceeds apparently at a snail's pace. There has been an increase in publicity work both in the United States and the United Kingdom, but it is understood that it has not yet begun in Europe. As this latter is the source from which a large number of farmers may be secured, the delay in letting them know that they are desired is inexplicable. It is a fact that governments of several European countries are eager to allow a number of their people to go. Among others 1,000 Swiss are eager to come.

The Immigration Department's returns show that for the nine months ending December, 1922, the number of arrivals was 60,247, as compared with 79,823 for the same months in 1921. The value of settlers' effects imported during 1923 was $6,195,568, while the value of those exported was $7,832,053, a net loss of over effects imported during last year was $2,230,000 below that for 1921, while the value of those exported was $1,380,000 greater than during the preceding year. This is quite a change from the years when the value of settlers coming in exceeded by eight or ten times the value of those outgoing.

That the West is not getting anything like the settlers from the United States that it used to get is also evident from the fact that the number entering through Western points last year was only 9,595, a decrease of 2,521 as compared with 1921.

The details of immigration for December show that a very large percentage of intending immigrants were rejected on rather slender grounds. The total number of rejections was 650, of which 377 were from the United States and 233 from continental countries. Indeed, of the total number of those who desired to come from across the line 41 per cent. were turned back. Only one Chinaman was rejected, whereas 377 from America were turned back.

Of the 650 rejected, no less than 214 were ruled out because of "indirect passage;" that is they came from other countries via the United States, instead of coming direct. Another 361 were rejected through the application of P. C. 717, framed to restrict immigration at a time when there was considerable unemployment.

STOCK MOVEMENTS OF THE WEEK

Week Ending Jan. 30

	Div. Rate	Ask	Bid	High	Low	Close	Sales
Banks		201	200	200	199	200	104
Commerce	12+1	202	200	202	200	201	54
Dominion	12+1	169	—	168	167	168	37
Hamilton	12	—	186	186	186	186	85
Imperial	12+½	—	173	176	173	174⅝	78
Molsons	12	233	230	236	234¼	235½	279
Montreal	12+2	—	261	261	257	260	114
Nova Scotia	16	—	219	219½	218½	219	272
Royal	12+2	203¼	203	203½	203	203¼	72
Standard	14	188½	186	189	188½	189	48
Toronto	12	—	138	140	138	138¼	27
Union	10						
Industrials, Utilities, etc.—		68½	68	68⅞	67	68	808
Abitibi Pulp & Paper Co.	4	99	—	99	99	99	5
Do., pref.	7	38	37	38	34	38	239
American Salesbook, com.	8	89	88¼	89	88¼	89	141
Do., pref.	7	67½	66	66	63½	66	281
Asbestos Corporation, com.	6	86	85½	85	84½	85	222
Do., pref.	7	—	22½	22½	22½	22½	110
Atlantic Sugar, com.	—	15½	15¼	15½	13	15¼	3122
Barcelona Traction	—	115¾	115½	116	115	115¾	922
Bell Telephone	8	43½	43¼	43¾	42½	•43¼	2649
Brazilian Traction, com.	4	25	23½	24	22	24	255
B. C. Fishing	—	—	9¼	9½	9	9¼	370
British Empire Steel, com.	—	69¼	—	68½	68	68½	103
Do., 1st pref.	7	25¼	24¾	25¾	25	25	955
Do., 2nd pref.	—	38	37¾	38¾	37½	37⅞	575
Brompton Pulp, com.	—	130	128¼	128	127	128	62
Burt, F. N., com.	10	—	128	127	127	127	3
Do., pref.	7	59½	57	57½	57	57	75
Canada Bread, com.	—	95	94	95	95	95	89
Do., pref.	7	—	32	33	31	33	913
Canada Car & Foundry, com.	—	—	68½	70	69	69¾	490
Do., pref.	—	79	78½	78½	77	78	548
Canada Cement, com.	6	—	100	101½	101	101½	209
Do., pref.	7	17	16	17	16	16¾	115
Canada Steamships, com.	—	49	48	50	45	48¼	1529
Do., pref.	—	96	95⅞	96	92½	96	1209
Canadian Converters	7	119	116	117	116	116⅞	300
Canadian Cottons, com.	8	89	86	89	88	89	170
Do., pref.	6	18	—	18	18	18	85
Canadian Woollens, com.	—	60	—	60	60	60	25
Do., pref.	—	83	82½	83	81¾	83	190
Canadian General Electric, com.	6	—	91½	92½	91½	91½	171
Canadian Locomotive, pref.	7	145½	145	145	144½	145	66
Canadian Pacific Railway	10	149	146	148¾	147	147	25
City Dairy, com.	10	100	99	100	100	100	10
Do., pref.	7	—	160	161	154⅞	161	411
Consumers' Gas	10	50	—	49	49	49	20
Crow's Nest Pass Coal	6	71	69	70	69	70	418
Detroit United Railway	6	72	—	71½	71	71½	211
Dominion Bridge	4	30	—	28	28	28	10
Dominion Canners, com.	—	75	—	75	74¾	74¾	229
Do., pref.	7	93½	93⅛	94	92¼	93½	2532
Dominion Glass, com.	7	99½	98	100	99½	100	39
Do., pref.	7	67	66½	68	63¾	66½	8824
Dominion Textile, com.	12	110	109	110	109	110	15
Do., pref.	7	82¼	—	82¼	82¼	82¼	5
Dominion Coal, pref.	7						
		30	29	29½	29	29	210
Duluth Superior	—	87	86	87	86	86	115
Goodyear Tire, pref.	7	76	75⅜	76¼	76	76	85
Howard Smith Paper, com.	6	101½	101	101	101	101	60
Do., pref.	8	41½	40½	41½	41½	41½	100
Illinois Traction, com.	—	80½	79	80⅛	79½	80⅛	46
Do., pref.	6	—	58½	58½	58½	58½	21
Interprov. Brick, com.	8	—	109½	110	110	110	25
Kaministiquia Power	8	180	175	180	175	178	65
Lake of Woods Milling, com.	12	93½	92½	93	92½	92½	370
Laurentide Paper	6	42	40	42	42	42	80
Lyall Construction	—	11¼	11	11	10	10	50
Macdonald, A., com.	—	—	115½	118	109	116	2368
Mackay, com.	7+10	—	69½	70	69	70	110
Do., pref.	4	124	120	125	125	125	15
Maple Leaf Milling, com.	8	99	98	99	98¾	98¾	79
Do., pref.	7	—	104½	104	104	104	4
Montreal Cotton, com.	6	105¾	105⅝	105¾	103¾	105¾	3670
Montreal Light, Heat, Cons.	5	52	—	52	52	52	35
Montreal Telegraph	8	155	—	155	155	155	10
Montreal Trams	10	48	47½	48½	47⅛	48	835
National Breweries, com.	4	—	292	304	290	300	431
Ogilvie Flour, com.	12	—	115	115	115	115	5
Do., pref.	7	89½	—	89½	88	89½	75
Ottawa L. H. & Power	6	95	93	92	92	92	30
Pacific Burt, com.	6	—	100	100	100	100	10
Do., pref.	7	140	135	138	130½	137	764
Penmans, com.	8	27	25	26	26	26	5
Porto Rico Railways, com.	—	80	78	79	79	79	5
Do., pref.	7	44	43⅞	44½	44	44½	600
Price Brothers	2	89	88	89	88	89	45
Provincial Paper, com.	6+1	—	93	94	93½	93½	67
Do., pref.	7	24½	23½	24¼	22½	23⅞	1605
Quebec Railway	—	5½	5	5⅛	5	5	255
Riordon Pulp, com.	—	92	89	90½	90½	90½	5
Rogers William, pref.	7	116	115	117	115	115	2662
Shawinigan	7	—	98½	99	99	99	15
Sherwin Williams, pref.	7						
Shredded Wheat, com.	8+1	150	145	148	148	148	2
Spanish River Pulp, com.	7	95	93	94¾	93	93	990
Do, pref.	7	103	102	103	101½	102	527
Steel of Canada, com.	7	63	62½	62¾	61½	62¼	263
Do., pref.	7	—	96½	98	97	98	98
St. Lawrence Flour, com.	6	76½	74¾	74¾	74¾	74¾	120
Toronto Railway	—	91	90¼	93	88	91¾	5701
Tuckett Tobacco, pref.	7	—	92	92	90	92	55
Twin City, com.	4	60	59	60¼	59	59½	310
Wayagamack Pulp	—	59	57	57	57	57	35
Western Canada Flour	8	115	110	112	112	112	6
Winnipeg Electric, com.	—	35	34	35	34	34	46
Do., pref.	7	83¾	83¼	84	82	83¼	173
Woods Mfg., com.	8	78	—	77	77	77	10
Do., pref.	7	—	80	78	78	78	1
Mexican Light, com.	—	17¼	16	16	16	16	100
Canada Landed	10+1	82	80	81	81	81	91
Can. Permanent	12	—	190	191	190	190	49
Colonial Investment	6	—	8	8	8	8	9
Montreal Loan	12	45¼	—	45¼	45¼	45¼	78
Toronto Gen. Trusts	12	—	202	202	202	202	32

An income of 7.60%

At 92, the 7% Preferred Stock of the Canadian Locomotive Co., Limited, yields an annual investment return of 7.60%. The stock is listed on the Toronto Stock Exchange. An intimate knowledge of the management, history and future of the Company permits us to recommend strongly the purchase of the preferred stock at the present market price.

Price: about 92 to yield 7.60%

Write for Special Circular 84, or send in your order to buy "at the market."

Æmilius Jarvis & Co.
Established 1891 LIMITED
Ottawa 293 Bay St. Montreal
New York Toronto London Eng.

Vipond

THE deep mine development work now in progress at Vipond Consolidated is rapidly reaching its objective.

The most important period in the history of this adjoining property to the Hollinger appears near at hand.

With our direct wires into the Porcupine Camp, we are the recognized headquarters for authentic mining information which is for the exclusive use of our customers.

Write for Our Market Despatch

ARTHUR E. MOYSEY & CO.
LIMITED
BUSINESS FOUNDED 1904
WILLS BLDG. BAY STREET TORONTO

5½% Interest Return

INVEST YOUR SAVINGS
in a 5½ DEBENTURE of
The Great West Permanent
Loan Company
SECURITY
Paid-up Capital $2,414,663.00
Reserves 1,100,000.00
Assets 6,184,420.00
HEAD OFFICE, WINNIPEG
Branches: Toronto Regina Calgary Edmonton
Vancouver Victoria Edinburgh, Scotland

MERCHANTS CO. CASUALTY

Accident and Sickness
Automobile (Non-tariff)

We issue the most up-to-date policies, and give every policyholder a highly considerate service.
Test the truth of this with your next policy.

MERCHANTS CASUALTY COMPANY
(DOMINION LICENSED)
WINNIPEG : TORONTO : MONTREAL

WATERLOO COMPANY WIDENED ITS SCOPE

Is Now Trust Co. and Shows Material Increase in Its Earnings

The Waterloo Trusts and Savings Co., formerly the Waterloo County Loan and Savings Company, the company having enlarged the scope of its business last May, shows a material increase in earnings for 1922, the figures being $204,177, as compared with $182,089 for 1921. Net profits show an increase of $3,000 to $57,672, the highest in the company's history. Dividends were increased from 6 to 6½ per cent., at the same time the cost of making the change from a loan to a trust company, $4.000, was written off, along with office premises, bringing this total to $5,338. The company states that it believes that the widened scope of its organization will result in considerable expansion in the future and they are looking forward to developing a profitable estates and trustee business.

The assets total $949.850; guaranteed trust account $2.060,694 and estates and trust agency account $73,647.

Following are the earnings for the past three years:

	1922	1921	1920
Earnings	$204,177	$182,089	$178,115
Interest			
On deps.	79,114	53,483	51,181
On debs.	....	31.103	28.377
On loans	8.231	4.921	11.159
Com. acct.	9.919	4,008	1.698
Expenses	39.960	28.997	28,706
Inc. tax	3,943	4,197	....
Written off	5,338	743	....
	$146,505	$127,452	$121,121
Net profits	$ 57,672	$ 54,637	$ 56.994
Bal. forward	9,011	2,496	2,256
Prem. on stock	2,535	1,950	1,753
*From cont.	....	4,197	....
Distribution—			
Dividends	$ 44,987	$ 39,268	$ 37,507
Reserve	15,000	15,000	15,000
Contingent	5,410	....	6,000
Balance	3,821	9,012	2,496
	$ 69,218	$ 65,280	$ 61,003

* Brought forward from contingent funds provided for Dominion Government income tax.

Year	Paid-up Capital	Net Profits	% Div.	Av. Cap.	Earn. Rate
1922	$707,920	$57,672	6½	8.3	6.8
1921	674,295	54,637	6	8.4	6.9
1920	638,764	56,994	6	9.1	7.7
1919	604,331	49,649	6	9.2	7.9
1918	481,802	40,462	6	9.3	8.0
1917	415,366	34,355	6	8.5	7.4
1916	383,779	31,762	6	8.8	7.7
1915	332,876	25,323	6	7.8	7.0

CHICOUTIMI AWARD

Arbitration Finding in Dispute Over Insurance on Pulp

The arbitration board has awarded $651,484 to the Chicoutimi Pulp Company, Limited, under policies with thirty-two insurance companies for loss sustained through the fire which on July 8th last destroyed about 28,000 tons of mechanical pulp in the Chicoutimi Company's yards at Port Alfred, near Ha Ha Bay.

The Chicoutimi Pulp Company claimed $1,010,201.31 fire insurance, but the insurance companies considered the demands made on the policies were too high, and arbitration was resorted to.

The majority report considered the value of the property insured was $743,306 and amount of salvage $91,822. This left $651,484 as the amount of loss by fire, and constituted the court majority's award to the claimants.

The minority opinion was that the value of the property insured was greater than $743,306.

CANADA PERMANENT MORTGAGE CORPORATION

ANNUAL MEETING

The Annual Meeting of Shareholders of the Canada Permanent Mortgage Corporation was held at the Head Office of the Corporation, Toronto Street, Toronto, on Friday, January 26th, at twelve o'clock noon.

The President, Mr. W. G. Gooderham, occupied the chair. The Secretary of the Corporation, Mr. Walter F. Watkins, was appointed Secretary of the meeting, and read the Report of the Directors for the year 1922, and the Statement of Assets and Liabilities, which are as follows:—

REPORT OF THE DIRECTORS

The Annual Statement of the business of the Corporation for the year 1922 and duly certified Balance Sheet are herewith submitted to the Shareholders and afford the Directors much satisfaction.

The balance at the credit of Profit and Loss at the beginning of the year was	$ 271,136.60
The net profits for the year, after deducting interest on borrowed capital, expenses of management, all charges and losses, together with War Revenue and Dominion Income Taxes, Provincial and other Taxes, and after making provision for possible losses and contingencies amounted to	903,019.30
Making available for distribution	$1,174,155.90
This sum has been appropriated as follows:—	
Four quarterly dividends of Three per cent. each on the paid-up Capital Stock	840,000.00
Balance carried forward at credit of Profit and Loss	334,155.90
	$1,174,155.90

All which is respectfully submitted.

W. G. GOODERHAM,
President.

Toronto, January 10th, 1923

FINANCIAL STATEMENT

31st December, 1922

ASSETS

Office Premises:—Toronto, Winnipeg, Vancouver, Saint John, Edmonton, Regina, Woodstock, Halifax		$ 762,874.13
Real Estate held for sale		796,676.17
Mortgages on Real Estate:—Principal	33,040,703.61	
Interest	1,041,197.29	34,081,900.90
Loans on Bonds, Stocks, etc., Loans on Corporation's Stock	87,947.96	
Loans on other securities	117,483.88	205,431.84
Securities of the United Kingdom		1,252,528.94
Securities of the Dominion of Canada and Provinces of Canada		1,083,838.49
Debentures of Ontario Municipalities		200,224.17
Stocks:—Canadian Pacific Railway Company	$260,000.00	
The Canada Permanent Trust Company	978,000.00	1,238,000.00
Cash in Chartered Banks and on Hand		1,744,133.72
		$41,365,608.36

LIABILITIES

To the Public		
Debenture Stock and Accrued Interest (£172,858 1s. 8d.)		$ 841,242.66
Debentures—Sterling—and Accrued Interest (£2,854,798 2s. 4d.)		13,893,350.84
Debentures—Currency—and Accrued Interest		4,791,919.47
Deposits and Accrued Interest		7,284,884.11
Sundry Accounts		10,055.38
		$26,821,452.46
To the Shareholders		
Capital Stock subscribed	$7,000,000.00	
Capital fully paid		7,000,000.00
Reserve Fund		7,000,000.00
Dividend payable 2nd. January, 1923		210,000.00
Balance carried forward at Credit of Profit and Loss		334,155.90
		14,544,155.90
		$41,365,608.36

W. G. GOODERHAM, *President*
GEORGE H. SMITH, General Manager

We beg to report that we have audited the books of the Canada Permanent Mortgage Corporation for the year ending 31st December, 1922, and have verified the cash, bank balances and securities of the Corporation.

That we have examined the foregoing statement and that it agrees with the books of the Corporation.

That after due consideration we have formed an independent opinion as to the position of the Corporation.

That after our independent opinion was formed and according to the best of our information and the explanations given us, we certify that, in our opinion, the statement sets forth fairly and truly the state of the affairs of the Corporation.

That all transactions of the Corporation that have come within our notice have been within the powers of the Corporation.

A. E. OSLER,
HENRY BARBER *Auditors*
Chartered Accountants.

Toronto, January 9th, 1923.

The President, Mr. W. G. Gooderham, addressed the meeting as follows:

The Financial Statement and Report of the Directors, which have just been read by the Secretary, have been in your possession for some time. I need not, therefore, discuss them at any great length as you are no doubt familiar with their salient features. The exhibit is one which has afforded your Directors much satisfaction and I feel sure has been equally gratifying to the Shareholders.

In addition to payment of the usual quarterly dividends, at the increased rate of twelve per cent. per annum established two years ago, a comfortable balance has been carried forward and added to Profit and Loss.

The amount on deposit with the Corporation and invested in its debentures shows a most gratifying increase during the year of upwards of $2.200,000. More than one-half of this large sum is accounted for by the fact that our Sterling Debentures have increased from $12,547,187 to $13,893,350. Debentures payable in Canada also represent a larger amount than a year ago by $323,803. and our Deposits have increased by $555,233., namely from $6,729,651. to $7,284,884.

Of the Corporation's Assets, the most important item, as usual, is that of Mortgages on Real Estate, amounting to $34,081,900., an increase during 1922 of the very considerable sum of $1,087,866. Slightly more than two and one-quarter million dollars are invested in the highest class of British and Canadian Government Bonds and about two hundred thousand dollars in Ontario Municipal Debentures.

An amendment to the Loan Corporations Act at the last session of the Dominion Parliament provides that Loan Companies having Dominion Charters shall hold in cash or in Government or Municipal Bonds not less than Twenty per cent. of the amount of their deposits. From the Statement it will be seen that we have securities of the British and Canadian Governments, Debentures of Ontario Municipalities and Cash aggregating $4,280,725., equal to 58.70 per cent. of our deposits. If other securities of the most readily negotiable character were included, the total would be more than 62 per cent.

The stock of The Canada Permanent Trust Company owned by the Corporation is an investment which promises to prove increasingly profitable. The business of the Trust Company is developing satisfactorily and last year seven of its eight offices showed a profit. While in the meantime the return to the Corporation is not great, a Reserve Fund is being built up and, with the steady growth now taking place in its operations, there will come later on an enhanced yield on the Corporation's investment. I may again remind the Shareholders that they have it in their power to be one of the most potent influences in achieving this most desirable result. Nearly every shareholder at some time requires the services of a Trustee or Financial Agent, or would find it advantageous to employ one. By utilizing the services of their own Company, and by recommending it to their friends and acquaintances, our Shareholders will have the satisfaction of enhancing the value of their property and thus furthering their interests as the proprietors of this Corporation.

The past two years have been somewhat trying to those entrusted with the control and management of large interests. In addressing the Shareholders of another financial institution a short time ago I made a somewhat extended reference to one of the greatest handicaps to which commerce and finance are subjected, and which is delaying and making most difficult of accomplishment the revival of business for which everyone is so earnestly hoping. I need not repeat the figures then quoted, but the subject is so important that I believe it worth emphasizing. The taxation which has to be paid to the Dominion, to the various Provinces, and to the Municipalities has grown so enormously that it is a very heavy charge upon the earning power of every individual and business house, as well as of commercial companies and financial institutions. Till, by some process of reducing the expenditure of all these various governmental bodies, (by balancing their budgets as Great Britain has done), some of this heavy burden can be removed, it will continue to be a drag on the wheels of commerce and retard the development and progress of our Country.

During the past year the Corporation has lost through death the valued services of two of its Directors, who passed away almost at the same time: Mr. R. S. Hudson, the Vice-President and Joint General Manager, having died on July 18th, and Mr. J. H. G. Hagarty on the 26th of the same month. Mr. Hudson has occupied positions of responsibility with the Canada Permanent for forty-seven years. To his untiring zeal is due in a large measure the success the Corporation has had. Mr. Hagarty was elected a Director in 1909. From that time till his last illness he was one of the most faithful members of the Board. Both these gentlemen enjoyed the highest esteem of all their colleagues, by whom they will long be missed. The vacancies on the Directorate were filled by the appointment of Mr. William Stone and Mr. George H. Smith; and Mr. E. R. C. Clarkson succeeded Mr. Hudson as Vice-President.

In October Mr. John Massey, owing to ill-health, asked to be relieved of his duties of General Manager and his resignation was accepted with very great regret. Mr. Massey had been associated with the Corporation and previously with one of its constituent Companies, the Western Canada Loan and Savings Company, for about fifty years. In 1905 he and the late Mr. Hudson were appointed Joint General Managers. Mr. Massey continues on the Directorate and, in order that his colleagues and the management may have, to the fullest possible extent, the benefit of his long experience and wise counsel, he was appointed to the office of Second Vice-President. We all hope that with relief from the responsibility and active duties of the management his health may greatly improve and that he may long be spared to adorn the position which he now occupies.

The vacancy in the General Managership was filled by the promotion of the Assistant General Manager. It affords me great pleasure to bear testimony to the satisfaction felt by the members of the Board in having available one so well qualified to fill the position. Mr. Smith has served an apprenticeship such as rarely falls to the lot of those appointed to such positions. For forty-one years he has been in the service of the Canada Permanent, during the first half of which period he was closely associated with the founder of the institution, the late Mr. J. Herbert Mason. For the past thirty-four years he has respectively occupied the offices of Secretary, Superintendent of Branches and Assistant General Manager, discharging the duties of these positions with zeal and ability. He is well known, not only to our correspondents throughout Canada but to our British correspondents as well, and during the past summer visited Great Britain on a business mission which was of great benefit to the Corporation. His relationship with our staff is of the most satisfactory nature and he has their loyal support. For a number of years he has made annual or more frequent visits to all our Branches and he is therefore very closely in touch with the affairs of the Corporation, and thoroughly acquainted with the special conditions which prevail in the several Provinces. I believe you will agree with me that he is well qualified in every way to successfully carry on the work of his able predecessors.

In July last death also claimed one of the Corporation's valued officials Mr. Malcolm Douglas, Manager of the Oxford County Branch. Mr. Douglas had lived all his years in the County in which he was born, and where he was held in the highest possible esteem as a public spirited citizen who had faithfully and efficiently served his City and County in many capacities. Prior to 1918, when the assets and business of the Oxford Permanent Loan and Savings Society were acquired by this Corporation, he had been for many years the Manager and a Director of that institution and to him was largely due the position it held in the community.

To succeed Mr. Douglas we have been fortunate in finding available the services of Mr. Henry A. Little. Like his predecessor, Mr. Little has long been a most respected citizen of Woodstock. For a number of years he was the Solicitor of the Oxford Permanent and is well and favourably known to its customers and thoroughly conversant with the various branches of our business.

I think I need not detain you further, unless it be to repeat my personal gratification at the progress the Corporation has made during the past year and the assurance I have given on previous occasions that I know from close personal association and supervision that the management of the Corporation is in every respect of the most conservative character. With this I may be permitted to associate the further statement that the Balance Sheet now before you is the strongest it has so far been our privilege to submit to the shareholders.

I beg to move that the Report of the Directors be received and adopted and, together with the Financial Statement, be printed and a copy sent to each Shareholder. The motion will be seconded by the First Vice President, but before calling upon Mr. Clarkson I shall ask the General Manager to make some comments upon the business of the year.

The General Manager, Mr. George H. Smith, said:

Before proceeding, as requested, to make a few observations upon the year's operations, may I be privileged to associate myself with the President's expressions of regret concerning the death of Mr. Hudson and the ill-health of Mr. Massey. In a period of more than forty years, during the greater portion of which Mr. Hudson and I were most intimately associated, the roots of friendship had time to grow deep. He was devoted to the Canada Permanent and it was a great pleasure to co-operate with him. With Mr. Massey my business relationship began at the time of amalgamation. In the twenty-three years which have since elapsed our associations have been of the most pleasant nature. My wish is that of all who know him, that he may be granted a restoration of health and strength to enjoy for a long time the esteem and affection of his large circle of friends.

In the death of Mr. Hagarty and Mr. Douglas of Woodstock, I also feel that I sustained personal losses. It was my privilege for some years to see a good deal of Mr. Hagarty, who was a kind and genial friend. Mr. Douglas I had known and esteemed for a number of years and it was to him that I first suggested the arrangement which sometime later resulted in his Company being taken over by the Canada Permanent.

As the President has intimated, the past year was one in which it was not easy to produce results such as we have been accustomed to. Business inactivity, commercial failures and general depression were predominant. As far as Eastern Canada is concerned, these general features did not operate to any great extent to prevent the business of the Corporation proving satisfactory. The business of the Canada Permanent, however, has assumed its present magnitude through the fact that it is carried on in nearly every Province of the Dominion. For more than forty years it has been transacting a large and successful loaning business in the West and today more than one-half of our mortgage investments are west of the Great Lakes. In the prairie Provinces, particularly among the farming population to whom our loans have chiefly been made, there has been an accumulation of circumstances combining to render the depression extremely acute. Due in the first instance to the war-time campaign for greater production, stimulated by increasing prices for the grain produced. land owners already owning fair-sized farms purchased more land. When prices continued to soar even after the Armistice, the temptation to acquire and sow yet more acres was in many instances irresistible. These purchases were made at the highest prices, generally also by assuming an additional heavy liability. Other obligations were undertaken, for tractors and other farm implements; frequently also for the automobile; previously an unobtainable luxury, but now deemed a necessity. In all these respects the Western farmer was not unlike the Eastern business man or manufacturer who borrowed for expansion, or the mechanic who, though in receipt of wages previously unheard of, too frequently expended them improvidently. Then followed two or three years in which the elements were unkind, and crop production was far from satisfactory. Almost coincident therewith Europe's buying ability shrank to small proportions grain prices rapidly fell and the farmer had a small yield, produced and harvested at heavy cost and saleable only at an unprofitable figure, with which to meet his enormously swollen liabilities.

That under such circumstances the interest on the mortgage could not always be paid was inevitable. To keep the farmer on the land when he has any reasonable prospect of retrieving his position is always good policy. doubly so in these times when many farmers are compelled to surrender portions of their too greatly extended holdings. The crop of last year was, on the whole, a satisfactory one. It has enabled the producers to very greatly reduce their accumulated indebtedness, and has put new heart into many discouraged mortgagors. There is, however, always a percentage who, when the storm breaks, are overwhelmed by the waves of debt, poor management and indifferent methods of farming. With such the lending institution had no alternative but to take over their lands, for which there is temporarily but limited demand owing to the existence of the conditions I have mentioned.

Though it will undoubtedly take some time to find purchasers for the properties which have fallen into our hands, they are in the meantime producing a fair rental return, which I may say we do not include in our profits but every dollar of which is applied to reducing the amount at which they are taken into our Assets.

In addition to this, we have always followed the conservative policy of not taking credit for any interest, whether it has been paid or not, if there is any doubt in our minds as to the security eventually realizing the full amount of our claim. Under the conditions prevailing last year, it was only to be expected that the number of such accounts would increase. The aggregate amount upon which interest was not debited to the accounts was greater than it had been for many years.

We confidently believe, however, that business conditions throughout the Dominion are now improving—and that even the Western farmer has "rounded the corner." Our collections last year in the three prairie Provinces alone exceeded three million dollars, of which $1.346,224 was interest—a sum in excess of the interest charged during the year on our mortgages in those Provinces.

An authority estimates the wheat for which the farmers of the West are yet to receive payment at not less than one hundred and thirty-five million bushels, ensuring a further distribution of a large amount of money which cannot but result in a general improvement. We are having a considerable number of enquiries for farm lands and recently there have been an increasing number of sales made at prices in excess of the sums charged against them.

The increases which have taken place in our Sterling and Currency Debentures and in our deposits, are most gratifying. The amount of our Debentures payable in Great Britain is greater than a year ago by the unusually large sum of $1,346,163. As the President explained at our meeting two years ago and again last year, we had faith that Sterling Exchange would improve much more rapidly than many believed and we adopted the policy of renewing our Sterling Debentures as they became due, rather than repaying them, and have also accepted additional money offered by British investors. Had we adopted a policy of repayment, large additional profits might have been made, but the rapid increase in the value of the Pound Sterling during 1922 has, we fully believe, justified the sacrifice of that profit. In the meantime, the pleasant relationships which have existed for so many years with our much esteemed Agents and clients in Great Britain have been maintained. Though this money cannot yet be brought to Canada, it is invested in the highest class of British Government securities, which are readily saleable at any time. There are many who are now predicting the return of Sterling Exchange to a normal basis before many months. When that takes place this large additional amount of money will be made available for loaning to Canadian owners of real estate. The large amount with which British investors have entrusted us is a most gratifying evidence of the high reputation and standing of the Canada Permanent in the old land and also of the good offices of our valued representatives, to whom our best thanks are due.

The renewals in 1922, and the new debentures issued, were all at a considerably reduced rate of interest. Following our usual practice, all charges and commissions incidental to obtaining the large additional sum received, as well as to the renewal for new terms of debentures which matured, have been paid out of the profits of the year.

The very considerable development which has taken place in the figures on both sides of our Statement has not been due to our offering higher rates of interest to our depositors and to investors in our debentures, or lower rates of interest to our borrowers, than could have been obtained from our competitors. The Canada Permanent is not one of those Loan Companies, referred to by the Manager of one of our Banks at a recent meeting, which are said to be tempting depositors with even higher rates than are paid by the Government Savings Offices. In fact, I do not know of any Loan Company which is or has been doing so. We strive to develop the various departments of our business by giving our customers the best possible service. We constantly receive assurances that these efforts have met with a considerable measure of success, and the Statement before you furnishes evidence to further confirm the fact.

During 1922 alterations and improvements were made to three of our office buildings at a cost of several thousand dollars. Our Office Premises Acccount, however, stands at the same amount as at the close of the previous year.

The President has made a most opportune reference to the necessity for relief from the taxation to which we are all subjected. The necessity for thrift has been strongly urged upon the individual, but to enforce economy by compelling him to hand over such a large share of his income to the Government and the Municipality that he has comparatively little left with which to meet necessary expenditures is a method not calculated to stimulate increased production nor to assist in the development of business. Our customers everywhere find their progress impeded, and their ability to meet their obligations weakened, by this blight on the tender plant of prosperity. But I am referring to the subject more for the purpose of indicating its direct effect upon the Corporation's business. Last year the direct taxation we paid to the Dominion and Provincial Governments, apart from all forms of indirect taxation such as the onerous and troublesome stamp taxes with which everyone is bothered, amounted to $109,000., equal to more than one and one-half per cent. on the paid-up Capital. A few years ago the greater portion of this would have been available for distribution. In addition to this, of course, the amount paid in Municipal taxes greatly exceeded similar disbursements in earlier years. Canada appears to be much in need of a period of the governmental and legislative tranquility of which the electors of the mother land recently expressed their approval.

Before concluding I must express our appreciation of the assistance and co-operation of our various officials and the members of our large staff. The results the Directors have been able to present in their Report could not have been obtained without the best efforts of a loyal staff. The Secretary and Inspector of Branches are Officers who through many years connection with the Corporation have acquired an experience of great value in our business. In the Manager of the Ontario Branch, Mr. Robertson, we have a man of ability, energy and enthusiasm, upon whose efforts we may confidently rely for the profitable extension of the business of that office. The Managers of all our Branches are men with wide experience, loyally devoted to the best interests of the Corporation. They are successfully labouring to develop in their various staffs an increased efficiency and to create the spirit of enthusiasm with which they are themselves imbued and by which every day, in every way, we shall all co-operate to achieve better and better results.

The First Vice-President, Mr. E. R. C. Clarkson, then said:

It is a great satisfaction to second the motion for the reception and adoption of so good a Report as that which has been presented to the Shareholders to-day. I am sure you have, like myself, been much interested in the excellent address the President has made, and have been glad to hear the confirmatory comments of our new General Manager. My difficulty is that these gentlemen have left me very little to say. I think I shall content myself, therefore, with speaking only of a few of what we may call family matters.

I need hardly say that I am exceedingly gratified by my own appointment. The Canada Permanent is an old and honoured institution. It is a great honour to serve it as Vice-President, and I sincerely hope that I may be of some service to it.

During the short period I have occupied this position. I have acquired additional knowledge of how thorough is the supervision the President gives to the business of the Corporation and the work of his associates. While we all knew that he has kept in very close touch with its affairs, I have been surprised at the extent of his acquaintanceship with the details of its business and of the interest and activity he displays therein. He expects the Canada Permanent to occupy the first place in our affections, and that we shall be possessed with a determination to do for it all the good that lies within our power. The esprit de corps, the aggressive spirit of the entire body corporate, is a matter of keen personal solicitude to him, and, as far as I have been able to judge—and I have seen a good deal—this priceless quality permeates the whole force of your organization.

Mr. President: I am very glad to follow your footsteps and welcome Mr. George H. Smith to his new position as General Manager of the Canada Permanent. His own natural talents, added to the experience of many years' service in the Corporation, under your own guiding hand, have resulted in our securing a Chief Officer of great executive ability, and one upon whom the mantle of Mr. Massey has fallen, inasmuch as he, also, has the inestimable gift of making and retaining friends. This Corporation is worthy of a great Manager and I am perfectly satisfied we have secured such in the person of Mr. Smith, under whose skilful pilotage we may rest, fully content.

I would like to add my humble tribute of respect to the memory of those who have recently died. Mr. Hudson was as proud of the Canada Permanent as his predecessors, and was a man of vision and capacity.

Mr. Hagarty, whom I had known from my youth up and counted as my friend, was a lovable man, of the highest type of character.

In this sombre old building of ours—the home of our aspirations and achievements—always looking forward to an extended field of usefulness, we live under an esteemed leader, in an atmosphere utterly opposed to all speculative tendencies, very glad for profits fairly won, but careful of the strength of our superstructure, above all things.

Before sitting down, Sir, I would ask your permission to speak of another matter. I am quite sure that I voice the sentiments of everyone connected with this Corporation, from yourself to the humblest employee, when I say that the retirement of John Massey from the active management of the Corporation is a matter of the most profound regret. I doubt if there is any institution—look where you will—whose Chief Official had as many warm and constant friends as he. His gentleness, his kindness, his good advice so freely given, have won many clients for this Corporation, which he capably and successfully guided for many years, and to which he gave unstintingly the very best that was in him, and it is with great happiness that I speak in this fashion of his services. Happily, his inclination and the desire of the Board have met in his continuing as a Director and in his appointment as Second Vice-President of the Corporation. We all felt that his advice was of great moment to us and we hope that the day is far distant when he shall feel that he should retire from office.

I have very great pleasure in seconding the President's motion for the adoption of the Report.

The President's motion to adopt the Report of the Directors was unanimously carried.

The election of Directors for the ensuing year resulted in the unanimous re-election of the retiring Directors, namely:

Messrs. W. G. Gooderham, E. R. C. Clarkson, John Massey, Col. Albert E. Gooderham, F. Gordon Osler, William Mulock, K.C., George W. Allan, K.C., of Winnipeg, Archibald B. Campbell, W.S., of Edinburgh, William Stone and George H. Smith.

Messrs. Henry Barber and A. E. Osler, Chartered Accountants, were re-appointed Auditors for the current year.

At a meeting of the Directors, held after the adjournment of the Annual Meeting, Mr. W. G. Gooderham was re-elected President, Mr. E. R. C. Clarkson, First Vice-President, and Mr. John Massey, Second Vice-President.

BIG INCREASE IN "POWER" EARNINGS RATE UP TO 6 P.C.

With Gross of $14,431,000 Dividend Earned of 8.15%

40,000 OF NEW POWER

Development of Cedars Rapids—Very Favorable Showing—Trouble Over Coal Supply

From Our Own Correspondent

MONTREAL.—The Montreal Light, Heat & Power Consolidated has figured in three important announcements the last few days. These started with the decrease in the rates which proved as in former years to be a forerunner of an increase in the dividend rate, for this was raised from 5 to 6 per cent. Following close upon this announcement came the presentation this week of the annual report for the year ending December 31, 1922, in which both gross and net earnings ran far ahead of those of last year or any previous year since the present Company was organized, and showed 8.15 per cent. earned on the common stock. This is a heavy advance, as power company earnings go, over the percentage of 6.54% in 1921; 5.89% in 1920, 6.58% in 1919 and 5.55% in 1918.

Not only were the earnings far ahead of last year but the working capital position of the Company was as greatly improved, the surplus of current assets over current liabilities standing at $8,005,000 compared with $6,238,000 one year ago.

Following an announcement by Sir Herbert Holt, the President, of an increased volume of the Company's business during the year, as indicating the growth of the city and suburbs was the statement that "we also plan the installation of additional units at Cedars to provide a further 40,000 h.p. available there."

"This extension," he added, "involves hydro-electric equipment only, the power and transformer houses having been completed in connection with the last installation; the equipment has been purchased and will be installed in part during the current year and in part during next year as required." He added that with the installation of this extra equipment "our Cedars Rapids plant will have a capacity of 220,000 h.p."

The report in detail shows gross earnings of $14,431,000 compared with $13,289,000 in 1921 and $12,748,000 in 1920. It is noteworthy that in spite of the larger output, expenses and taxes fell slightly below those of the previous year and over $300,000 below those of 1920. Net earnings at $7,926,000 were nearly $1,200,000 ahead of 1921 and $2,000,000 ahead of 1920. It is noteworthy that the Company continues to allow a generous depreciation account as well as renewals reserves, for the past year amounting to nearly $1,500,000. There was carried into the new general surplus account $1,912,000, bringing the total to $4,696,070, which is subject, however, to the income tax for 1922. The general surplus account one year ago was drawn on to the extent of $672,041 for the payment of income taxes.

Below are given the comparative figures in the profit and loss accounts and in the working capital accounts.

Profit and Loss Account

	$ 1922	$ 1921	$ 1920
Gross .	14,341,323	13,289,964	12,748,409
Expenses	6,504,717	6,549,933	6,810,286
Net earn.	7,926,606	6,740,031	5,938,12
Deprec. .	1,443,132	1,328,996	1,055,166
Net rev..	6,483,473	5,411,035	4,882,957
Fx. chgs.	1,214,785	1,188,293	1,078,449
Net. inc..	5,268,687	4,222,742	3,804,507
Divs. pd.	2,690,397	2,689,740	2,683,443
Balance.	2,578,290	1,533,002	1,121,064
Divs. ac.	646,069	537,948	537,295
Balance.	1,932,220	995,053	583,767
Pension.	20,000	20,000	20,000
Surplus .	1,912,220	975,053	563,767

Dealing with operating conditions Sir Herbert Holt drew attention to the serious problem confronting the Company for a coal supply as follows:

Importing Coal from England

"There has been little or no relief in operating conditions during the year as compared with the war period, and the costs for equipment, supplies and labor are still abnormally high, besides which supplies have been difficult to obtain in adequate quantities and as required, necessitating our having had to seek new markets for part of our raw materials. This has particular reference to coal for our gas department (involving upwards of 300,000 tons per annum) where, owing to the failure of United States sources by reason of mining and railroad strikes, the major portion of our supply had to be imported from England at abnormal cost and inconvenience as regards handling and utility. We are threatened with further trouble in the same direction unless the operators and miners in the United States reconcile their differences before April 1st next, the date of the termination of their existing agreement."

The increased dividend is at the new rate of 1½ per cent. for the quarter, payable February 15, to shareholders of record January 31. The first dividend of the Company in its present form was paid in November, 1916, at the rate of 4 per cent., which amounted to a rate of 12 per cent. for the old Company as the shares had been exchanged in the ratio of three for one. This 4 per cent. rate was continued until 1919 when the common stock was placed on a 5 per cent. basis and although every year since then prophecies have been made of an increase to 6 per cent., this was not realized until the week-end. At the present market price, around 105, the stock gives a yield of 5.7 per cent.

EARNINGS OF TWIN CITIES ARE HIGHER

Net Return Was Double That of Previous Year—Costs Down

Twin Cities net return for 1922, before dividends were provided for, was more than double the 1921 return, while after paying four per cent. on the preferred and common stock, a much larger balance was carried forward. Gross earnings showed a decline but the favorable showing of the utilities is due to the fact that there was also a favorable reduction in operating costs.

The operating revenue was $13,772,647 a decrease of $92,934 while operating expenses were $9,914,324 as compared with $10,990,535. Net income was $1,565,201, as compared with $697,304, or equal to $6.01 on the common, as compared with $2.01 in 1921. The balance forward from 1921 was $1,211,202 and when the dividends were paid, $210,000 on the preferred and $880,000 on the common, the treasury held $1,722,735.

Engineers of the Twin Cities are making a valuation of the properties of the company's subsidiaries, but have not completed their work. Pending such a report betterments, renewals and improvements are at a standstill.

Current assets declined from $2,327,793 to $1,459,530 and liabilities from $2,142,760 to $1,167,214.

MANITOBA MAY GET OUT OF THE POWER BUSINESS

Proposal to Sell Provincial System to Private Company

From Our Own Correspondent

WINNIPEG.—The Bracken government's decision upon the provincial hydro system undeniably will have immeasurable effect upon the future of public ownership in Manitoba. Beyound intimating, however, that the present administration will insist upon the commercial activities of the provinces being put upon a self-supporting basis, Premier Bracken has not yet announced what the government will do with the provincial hydro, though he tells the Manitoba legislature that it is one of the lame ducks among the province's paternalistic experiments.

Since it became an open secret that negotiations between the Government of Manitoba and the Manitoba Power Company for transfer of the provincial hydro distributing system have been under way, various members in the provincial House have been trying to get Premier Bracken to tell them of the progress of the reported deal. Manitoba has approximately $2,250,000 invested in the undertaking but a competent engineer hazards the estimate for THE FINANCIAL POST that it will not be able to dispose of the enterprise for more than $500,000. "The cost of the system has increased, due to improper construction in the first place," to quote W. A. Tanner, M. P. P. for Kildonan and St. Andrews.

Premier Bracken admits that the provincial hydro is not upon a self-supporting basis, an admission which gains in weight from the charge of Mr. Tanner that the city of Portage la Prairie which is receiving the chief benefit from this system "instead of paying $60,000 per annum as it should is only paying $30,000."

It will not be surprising in the least if the government abandons the hydro as a public ownership enterprise. Even advocates of public ownership in this city have been compelled to acknowledge that the experiences of the provincial hydro have given public ownership a black eye here. The last government had generous plans for its extension but the Bracken government has no ambition to pursue the costly experiment, and further commit the credit of the province.

The prospect of losing the patronage and support of the provincial distributing system has aroused General Manager Glassco of the Winnipeg Hydro. "I am surprised that such a proposition should be considered at all," he says in protest. "As the Provincial Government has embarked upon a public ownership scheme, one would naturally think it would make a great effort to bring it to a successful conclusion. It would be a great setback to the principle of public ownership if any such thing as the sale of the system should occur."

PAY NO RENT OR TAXES

Protests Against Track-side Fruit Dealers in West

Strong protests against fly-by-night" fruit operators who pay no local license, no rent and no taxes, stealing the business of the accredited retail merchant by the practice of peddling fruit from railway cars at station points, were voiced during the session of the fourth annual convention of the Western Canada Fruit Jobbers' Association at Calgary.

FRUIT GROWERS OF B.C. TO FORM STOCK COMPANY

To Join in One Big Co-Operative Organization for Marketing

ADVICE OF SAPIRO

American Expert Has Outlined a Comprehensive Plan to Put Okanagan Industry on Successful Basis

From Our Own Correspondent.

VICTORIA. — Convinced that success can be reached only by increased measure of co-operation, fruit growers of the Okanagan country have pledged themselves to support of plans presented to them by Aaron Sapiro, the leader in farm cooperative movement in the United States. Mr. Sapiro has made a profound impression on the growers; so much so, in fact, that new organizations are springing up throughout the Okanagan to handle this year's crops according to the new efficiency standards outlined.

Many of the growers have signed contracts for the packing and disposition of their crops with the new co-operative organization for a period of not less than five years, provided that at least 75 per cent. of the tonnage provided by the area is signed up. The banks have given assurance of their support.

Method of Financing

The method of financing, as outlined by Mr. Sapiro, is simple and yet unique in that it calls for no capital from the growers. He urges that all the growers of the Okanagan country unite in one organization, take over the present co-operative concerns and their affiliated and local unions and those buildings and equipments of independent shippers that would be needed by the organization.

Preferred and common shares will be sold. The common shares will control and will be available only to the growers. Preferred shares will be guaranteed as to interest and will be divided into five series. Payment of the purchases from concerns will be made with these preferred shares. If a shipper will not accept these in payment and it is still thought advisable to buy him out, preferred stock will be sold to business men to provide the cash.

Mr. Sapiro's plan provides for the retirement each year of one of the five series of these preferred shares, making a small deduction per package to provide the capital. In this way the growers will own absolutely the whole equipment at the end of five years.

One of the objectives of the new organization is to supplant American fruit in the Canadian and overseas markets. Mr. Sapiro related that he recently visited ten stores in Toronto. In seven of them he found Hood River, Wash., and other American apples, but no Ontario apples. Three of the stores handled Ontario apples and in one of these there were found British Columbia apples.

Fewer apples are now being eaten in California than in former years, according to Mr. Sapiro, who advocated more thorough grading and more attractive packages, educational advertising, fixing of prices at point of consumption instead of point of production and prevention of oversupply in individual markets, as a means of extending the sales territory.

CANADIAN CAR HAS ORDERS FOR $7,500,000

President Reports Business Outlook Much Better—New York Director Added

From Our Own Correspondent

MONTREAL.—At the annual meeting of the Canadian Car and Foundry Co., the president, W. W. Butler, announced an order for equipment that had been received to the amount of $7,500,000, and it is presumed that this has come from the Canadian National Railways. A more encouraging review of the future was given by the president than had been the case for several years past. The present outlook, he said, was the best in some years. One year ago he had been called on to report a very poor outlook for the Company, but even then he believed that the lowest level had been reached. In this he had been disappointed, for in 1922 the Company's output of standard railway equipment amounted to only nine freight cars, and fifteen passenger cars. Special business, however, such as orders for tram cars, and the cutting down in expenses had enabled the Company to show a fairly good report for the past year. Mr. Butler announced that the Company had $10,320,136 of good business on its books compared with less than $1,000,000 last year. These orders were for large quantities, a much more profitable form of business than small orders even of equal volume.

An addition was made to the Board of Directors in the election of Col. O. F. Harvey of New York, who is an official of the American Car and Foundry Co. which owns a substantial portion of the shares of the Canadian company. A change was made in the by-laws in decreasing the quorum for directors' meetings from seven to five as the president explained that from January until June of last year it had been impossible to hold the meetings owing to the absence of so many directors and the same had prevailed from September on.

RAILROADS AS STEEL USERS

Consumed About 22 Per Cent. of United States Production

Railroads took about 22 per cent. of all of rolled steel manufactured in the United States in 1922, according to a survey made by The Iron Age and published in its annual number. Buildings and other construction took 15 per cent.; automobiles, 10 per cent.; oil, gas, water and mining, 10 per cent.; agriculture, 4 per cent., food containers, 4 per cent.; exports, 7 per cent.; and all other uses a total of 28 per cent.

Sources of demand in 1922 were somewhat different than in other years. For example, shipbuilding took less than 1 per cent. of the rolled steel produced, while agricultural consumption at 4 per cent. and exports at 7 per cent. were lower than is normally expected.

EXPORT COURSES A FIXTURE

Export trade courses will become a permanent fixture of the Universities of the Dominion, as a result of the first successful course held at the Toronto University. This opinion is being generally expressed. The interest which industrial and export houses evidenced by sending their representatives to participate in the event is cited as evidence that the efforts put forth to present the course were appreciated. McGill, Montreal, will stage a similar course.

DOMINION STORES ISSUE IS OFFERED

Class "A" Preferred Stock Offering by Three Concerns is Announced

An issue of $250,000 class "A" preferred stock of the Dominion Stores is being brought out by Housser, Wood & Co., Brouse Mitchell and Co. and Bankers Bond Cpn. The company is now operating 190 stores, having increased from 62 in 1920. It is capitalized as follows:

	Authorized	Issued
8% Class "A" Pref.	$1,000,000	$279,500
7% Class "B" Pref.	250,000	250,000
Com. No par shares	25,000	25,000

The class "A" issue is preferred as to assets and dividends and is redeemable as a whole or in part at $115 and accrued dividends. Par value $100. Net assets securing this stock total $605,534 or $200 a share on the stock outstanding before giving effect to the new financing. Net profit for 1922 was $100,092 on a gross sales of $5,059,508. Gross profit was $966,969 which gives an idea of the margin on which the company operated. Sales in 1920 were $2,401,000. Business has been steadily increasing and it is reported that December was one of the best in the company's history. Assets are given as $1,128,538 including $242,309 for goodwill. The surplus account stands at $117,484 with liabilities deducted from the assets.

TYPE OF SETTLER CANADA REQUIRES IS NOT AVAILABLE

Professor Presents Interesting Views on Emigration Problem

Charity emigration from Great Britain will not solve Canada's land settlement problem. Overseas settlement from Great Britain will do little to mitigate the problem of unemployment in the Old Country. Such unemployment is due to war disorganization the same as has been experienced in Canada. The only type of settler which Canada could afford to take is normally not unemployed.

Such is the emigration argument prepared by Prof. C. R. Fay, M. A., of Christs College, Cambridge, now exchange professor of Economics, Toronto University. Study and a tour through the west was the basis of his argument. The above is one of five assumptions, in building up a case for the continuance of the Soldier Settlement work as a part of the permanent machinery of land settlement. His other assumptions were, that overseas settlement is a part of the rural development problem; the policy of land settlement must not be subordinated to any other policy; the cry of the prairies for more men is the cry for men who will make good neighbors; the Soldier Settlement scheme has been well tested.

One of the main arguments advanced in support of the soldier settler is that he can succeed where others fail or where no other farmer does because the government is prepared to be at the back of him.

It is false to suppose, said Prof. Fay, that the successful farmer must be farmer born. He observed also that very often the English born, like the Canadian born, move on after a time to more lucrative work, but the wearers of sheepskin from Central Europe were content to stay with the land. What Canada wanted was not the agricultural laborer, technically so called, but young people of character and initiative. When agricultural conditions improved that most economical of all forms of emigration—the passage of relation to relation, of friend to friend—would set in of its own accord. The full harvest of the friendships made by Canadian soldiers in the Old Country and in France during the war had not yet been reaped.

Roy Wolvin, president of British Empire Steel Corp., denies knowledge of cancellation of German contracts. Says most of them have already been filled.

SMOKE

in ½lb. tins

and 15¢ pkts.

OLD CHUM
SMOKING TOBACCO

OLD CHUM

The Tobacco of Quality

Not Subject to Hard Times

An investment in a Great-West Life policy is impervious to hard times. There is no shrinkage. The dollars invested will pay you well if you live out the full life of the contract. If you do not, they will pay your heirs, it may be, a hundredfold. In life insurance you cannot lose, and the estate you are building up for those you love may gain immeasurably.

Full particulars of our attractive investment insurance plans will be mailed upon request. Write, stating age, to

THE GREAT-WEST LIFE ASSURANCE COMPANY

Head Office

Dept. "G"
WINNIPEG CANADA

Efficient Service at Moderate Cost

THE STERLING TRUSTS CORPORATION

W. H. WARDROPE, K. C. .... President
A. W. BRIGGS, K. C. .... Vice-President
NORMAN SOMMERVILLE, K. C. .... Vice-President
CHAS. BAUCKHAM .... Managing-Director

22 King St. E., Toronto. Branch Office—Regina: Lorne Johnson, Manager.

THE PROTECTIVE ASSOCIATION OF CANADA

Head Office: GRANBY, QUEBEC

BALANCE SHEET

as at December 31, 1922

Assets

Cash in bank and on hand	$ 42,929.01	
Cash in agents' hands for travelling expenses	153.02	
		$ 43,082.03
Agents' net balances for premiums collected		6,811.47
Bonds and debentures at book value	$119,991.56	
Accrued	898.94	
		120,890.50
Office furniture		988.38
		$171,772.38

Liabilities

Claims outstanding, known or reported, proof not fyled—		
Accident	$13,042.40	
Sickness	8,717.84	
		$ 21,760.64
Accrued taxes		4,750.00
Reserve for unearned premiums (100%)		71,025.48
Capital stock:		
Authorized and subscribed	$50,000.00	
Paid up, 80%	40,000.00	
Profit and loss account balance	34,236.66	
		74,236.66
		$171,772.38

E. E. GLEASON,
General Manager.

J. G. FULLER,
Secretary.

Balance has been audited and found correct by

ROBSON, RITCHIE & CO.,
Auditors, Montreal.

7% Preferred Public Utility

We can offer investors a well-secured 7% Public Utility Preferred Stock with a long dividend record to yield

7¾%

A higher market price is justified by past earnings and future prospects. Dividends payable in New York funds. Further particulars upon request.

Graham Sanson & Co.
LIMITED
INVESTMENT BANKERS
85 Bay St., Toronto
37 James St. S., Hamilton
Phone Adelaide 7410

Insurance Agency for Great Britain and/or Europe

A reputable Firm of London Brokers with influential connections and efficient organization invite applications from an American (Canadian) Company of standing to act as their British and/or European Managers either for Direct Facultative or Treaty Fire business on Tariff lines. Open to fullest investigation. Non-Marine-Manager of the Firm is a Company trained man of many years' underwriting experience. Apply by letter only to "N.F.," c/o Charles Barker & Sons, Ltd., 31, Budge Row, London, England.

GEO. O. MERSON & COMPANY
CHARTERED ACCOUNTANTS
807 Lumsden Building Toronto, Canada
Phone: Main 7014

Paid Up Capital $2,500,000
Canadian Bank Note Company, Limited
Successor to
American Bank Note Co. of Canada
Engravers and Printers
Bank Notes and Cheques
Corporation Bonds
Stock Certificates
Municipal Debentures
and other Monetary Documents
Head Office and Works: OTTAWA
BRANCHES:
Montreal Toronto

Building Sites

On and near Yonge St., with large trees and fine views, one minute's walk from the City Car Line. Restricted. $30 per foot up.

H. R. DOUGLAS
Adel. 5070 and Bell. 69M.
Mail Building.

8% Cumulative Redeemable Preferred Shares
Dominion Combing Mills
LIMITED
Write for particulars
Dominion Development Corporation Limited
805-813 C.P.R. Building
TORONTO
134 Jackson Bldg., Ottawa, Ont. 1004 Transportation Bldg., Montreal, Que.

Satisfactory Service Guaranteed
PRUDENTIAL TRUST COMPANY
LIMITED
Trustees. Executors.
Administrators,
Real Estate and Insurance,
Safety Deposit Vaults.
B. HAL. BROWN,
President and General Manager.
HEAD OFFICE
PRUDENTIAL TRUST BLDG.,
Montreal.
Branches throughout Canada and in London, Eng.

MONEY, BANKING AND EXCHANGE

DEFICIT RESULT FIRST YEAR OF RURAL CREDITS

Ontario Board Hopes for Better Things in Future

The first year's activities of the Ontario Agricultural Development Board shows that loans to the amount of $2,040,605 have been actually passed which is slightly more than double the amount which had been indicated as a satisfactory first year program. The profit and loss account shows a credit of $24,787 for accrued interest and $8,791 for inspection fees against which interest amounts to $21,720 and expenses $22,114. The statement shows a deficit for the year of $10,255. The fact that it was the first year of operation may be taken into consideration but on the other hand it is noted that there has been nothing allowed for preliminary expenses or rent and that nothing has been set aside as a reserve against principal or interest which may not be collected. The expenses include inspection, salaries, traveling, stationery, postage, supplies, telegraph, etc.

In his report, Chairman A. B. Farrow states that during the year more than 4,000 enquiries were received by the board without any general attempt at advertising or publicity. These enquiries resulted in 1,191 formal applications of which 458 were granted and 178 were under consideration at the end of the year. It is evident that a very large number of those who applied for loans cannot qualify under the legislation.

Under the act on which the board operates, authority is given to issue bonds up to $500,000 and to issue debentures to a practically unlimited amount so long as they are offset by the security of first mortgage. In order to issue loans the board issued bonds aggregating $488,000 which were taken up by the provincial treasurer at 5 per cent. Debentures were also issued and taken up in the same way. These aggregated $988,000 of which $288,000 was used to repay a bond of that amount and the balance to pay loans passed. It will be noted that this is considerably less than the total amount of loans passed, but it is explained that this is merely a matter of bookkeeping and due to the fact that a large volume of loans was passed towards the end of the fiscal year and was not actually paid before the end of the year. The point is made that while the bond issue will remain at $200,000 and that against the issue of debentures there is in possession of the board mortgages aggregating a total value of $4,693,604.

While loans have been well distributed over all the province including every county in old Ontario, with three exceptions, interest centres in the operations of the board in New Ontario. New Ontario has taken up 218 loans or nearly half the total, but the average is only $1,890, compared with $6,800 in Old Ontario. The board believes that the loans made will be a considerable aid to development in the northern part of the province.

Short term loan associations were organized during the year in twelve townships and through them loans granted to a total of over $160,000.

In referring to the deficit for the year the chairman points out that the board has done a great deal of work in connection with the organization and supervision of the short term loan associations which brings in no revenue. Also work of a general educational character has been carried on. During the first year the returns on interest were small. The opinion is expressed that there is every reason to expect that in three years and perhaps even a shorter period the work of granting long term loans will be self sustaining.

MONTHLY BANK CLEARINGS

(In comparison with same month last year)

EASTERN CITIES.

	January, 1923	Change	%
Toronto	$474,161,450+	$32,701,259	7.4
Montreal	401,761,098—	48,367,765	10.7
Ottawa	26,074,014—	1,709,807	6.2
Hamilton	22,796,391+	1,489,245	7.0
Quebec	22,469,216+	399,211	1.8
Windsor	13,736,458+	2,256,079	19.6
Halifax	12,529,291—	1,218,710	8.9
London	12,841,381—	853,000	6.2
St. John	10,579,005—	937,957	8.1
Brantford	4,251,063—	392,275	8.4
Moncton	4,186,159+	205,279	5.2
Kitchener	4,180,026+	134,689	3.3
Sherbrooke	3,218,691—	218,602	6.4
Peterboro'	2,937,141—	128,389	4.2
Kingston	2,707,809—	540,073	16.6
Total East	$1,018,429,193—	$17,180,816	1.7

WESTERN CITIES

	January, 1923	Change	%
Winnipeg	$175,091,823+	$1,250,030	.7
Vancouver	59,704,017+	5,553,321	10.3
Calgary	21,684,459+	376,928	1.8
Edmonton	19,296,742+	880,223	4.8
Regina	15,274,885+	888,076	6.2
Victoria	9,271,921+	365,548	4.1
Saskatoon	6,601,191—	408,266	5.8
Moose Jaw	4,947,239—	160,025	3.1
Ft. William	3,357,679—	664,094	16.5
Lethbridge	2,454,255—	82,169	3.2
Brandon	2,390,134+	34,156	1.4
N. W'tminster	1,873,956—	114,077	5.7
Medicine Hat	1,322,896—	132,919	9.0
Prince Albert	1,455,502—	8,188	.6
Total West	$324,726,699+	$7,778,544	2.4
Grand Total	$1,343,155,892—	$9,402,272	.7

LONDON LOAN AND SAVING

The profits of the London Loan and Savings Co., on 1922 operations, amounted to $74,068, an increase over 1921 but somewhat below 1920. Dividends were paid at the rate of 7 per cent. and after adding $10,000 to reserve, the balance carried forward amounted to $4,636. The company announces that outside its office building it had no real estate on hand. The total reserve is now $420,000.

The profit and loss account follows:

	1922	1921	1920
Profits	$ 74,068	$ 73,191	$ 81,125
Bal. forward	2,971	2,178	3;339
	$ 77,039	$ 75,369	$ 84,464
Dividends	62,403	62,398	62,286
Reserve	10,000	10,000	20,000
Balance	4,636	2,971	2,178
	$ 77,039	$ 75,369	$ 84,464

Year	Paid-up Capital	Net Profits	Div.	% Av. Cap.	Earn. Rate
1922	$891,539	$74,068	7	8.3	5.6
1921	891,444	73,191	7	8.2	5.6
1920	891,383	81,125	7	9.2	6.3
1919	888,321	83,121	7	9.4	6.6
1918	887,849	83,920	6+1	9.5	6.9
1917	887,398	33,429	6+1	4.1	6.7
1916	884,283	81,225	6	9.2	6.7
1915	882,889	117,917	6+1¼	13.5	10.0

LANDED BANKING AND LOAN

With a substantial increase in profits from $137,672 to $142,860 and with reserve equal, to the capital stock of $1,000,000, the directors of the Landed Banking and Loan Company last year increased the dividend distribution to shareholders from 8 to 9 per cent. The balance of profits was increased from $8,055 to $44,533. Following are comparative figures for three years:

	1922	1921	1920
Profits	$142,850	$137,672	$138,020
Taxes	16,373	16,220	18,747
Net profits	$126,477	$121,452	$119,273
Bal. forward	8,055	1,603	2,330
	$134,532	$123,055	$121,603
Dividends	90,000	80,000	80,000
Reserve	....	35,000	40,000
Balance	40,533	8,055	1,603
	$134,533	$123,055	$121,603

Following is a summary of the Company's earnings record for the past eight years:

Year	Paid-up Capital	Net Profits	% div.	prof. avr. cap.	earn. rate
1922	$1,000,000	$126,477	8+1	12.6	6.3
1921	1,000,000	121,452	8	12.1	6.2
1920	1,000,000	119,274	8	11.9	6.2
1919	1,000,000	120,598	8	12.0	6.4
1918	1,000,000	129,501	8	12.9	7.2
1917	1,000,000	135,885	8	13.5	7.9
1916	1,000,000	131,084	8	13.5	7.6
1915	987,970	128,678	8	13.2	6.8

FRANC'S WEAKNESS IS EXCHANGE FEATURE

French Francs are now below the low level of 1921, selling from 6.38 down to 6.00¼. The 1922 low was 6.17½. The post-war record was 5.71, touched in November, 1920. There has been a steady offering of bonds at New York with an entire absence of inquiries. Sterling has continued its strength during the week while Lire showed a weakness in keeping with Francs. New York funds have strengthed somewhat and are now at a premium of 1-3/16.

NEW YORK FUNDS

Jan. 25—Funds opened at 1 1-64 per cent. premium, but closed at 61-64.

Jan. 26—Opening at 31-32 premium, funds ranged between a high of 1 1-64 and low of 1 31-32, closing at 1 per cent.

Jan. 27—Opened at 1 1-64 premium and advanced to 1 1-32 at the close.

Jan. 29—Opening at 1 1-32 premium funds firmed to 1 1-16 and closed at 1 3-64.

Jan. 30—Funds opened at 1 3-64 premium and advanced to 1 5-64, closing at 1 1-16.

Jan. 31—Funds opened at 1 3-32 premium, and closed at 1 3-16.

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
Jan. 25	4.65⅛	6.38	4.80
Jan. 26	4.64⅜	6.38	4.80
Jan. 27	4.64⅛	6.32	4.77
Jan. 29	4.63⅛	6.12½	4.74½
Jan. 30	4.64	6.00¼	4.73
Jan. 31	4.65	6.00¼	4.72

HURON AND ERIE HAD AN EXCELLENT YEAR

Debenture Sales Soared Over the Ten Million Mark

The net profits of the Huron and Erie Mortgage Coporation were $565,548 in 1922, or over $4,000 greater than in 1921 and materially greater than 1920. The balance carried forward at the end of the year is less than half that carried over in 1921, but the provision for taxes and reserve also provide for a much greater amount. The reserve provision alone being increased by $50,000. The marketing of debentures was most successful in 1922, the total amount disposed of being $10,643,000, as compared with $8,344,000, an increase of $2,309,000, which exceeds the combined increases of 1920-21.

The company entered the year 1922 with a total of savings deposits of $5,900,000 and though over $900,000 of this was transferred to the debenture department during 1922 by depositors to secure the higher interest rate, the total deposits at the end of 1922 showed an increase of $161,000, with a total of $6,061,000. The corporation's reserve now stands at $1,500,000.

Assets increased from $22,712,000 to $25,167,000—a gain of $2,455,000, after having repaid over $200,000 of sterling debentures issued to investors in Great Britain. The institution has doubled its assets within the past thirteen years. The corporation announces for the fifteenth consecutive year that it has no real estate on hand other than office premises. First mortgage investments now total $16,747,000, an increase of $1,680,000 over the preceding year.

In addition to its mortgage investments, cash on hand and in banks totals $914,800. This latter amount added to its holdings of government and municipal bonds, totalling $4,302,000, places the Huron and Erie in the position of possessing immediately realizable assets equal to 86 per cent. of its saving deposits.

Dividends at the rate of 7 per cent. absorbed $350,000 of the profit, leaving a balance to carry forward, after taxes are paid of $25,243. The figures:

	1922	1921	1920
Profits	$565,548	$561,123	$549,600
Taxes	44,066	29,679	43,657
Net profits	$521,482	$531,444	$505,943
Bal. forward	53,761	22,317	16,374
	$575,243	$553,761	$522,317
Dividends	350,000	350,000	350,000
Reserve	200,000	150,000	150,000
Balance	25,243	53,761	22,317
	$575,243	$553,761	$522,317

Year	Paid-up Capital	Net Profits	Div.	% on avr. Cap.	Earn. Rate
1922	$5,000,000	$521,482	7	10.5	8.0
1921	5,000,000	531,444	6+1	10.6	8.4
1920	5,000,000	505,943	6+1	10.1	8.2
1919	5,000,000	496,737	6	9.9	8.2
1918	2,500,000	452,493	12	18.0	8.0
1917	2,500,000	430,577	12	17.2	7.8
1916	2,500,000	422,012	12	16.9	7.8
1915	2,458,415	411,493	12	16.9	7.9

BILLION AND A HALF INCREASE IN SAVINGS

Savings deposits in the United States increased by about $1,500,000,000 in 1922, as compared with 1921, according to preliminary figures tabulated by the Savings' Bank Division of the American Bankers' Association.

The figures show that, compared to reported savings deposits on June 30, 1921, of $16,618,595,000, the amount for the corresponding date in 1922 was $18,087,493,000. The preliminary tabulation for 1922 is as follows:

Amount of Savings Deposits June 30, 1922.

Mutual Savings Banks (complete)	$5,802,751,000
Other State Banks (41 states)	6,189,128,000
Trust Companies (32 states	1,894,138,000
Private Banks (14 states)	123,106,000
National Banks (complete)	4,078,370,000
Total Reported	$18,087,493,000

The number of savings accounts indicated by the partial data in hand was 28,955,526 on June 30, 1922, as compared to 26,637,831 on the corresponding date in 1921, a gain of 2,315,695.

BANK STATEMENT FOR MONTH OF DECEMBER

Immediately Available Liquid Resources

ASSETS

	Dec. 1922	Nov. 1922	Change	Dec. 1921	Change
Specie	$ 93,789,305	$ 100,017,065—	$ 6,227,760	$ 78,851,283+	$ 14,938,022
Dom. notes	182,686,820	177,770,676+	4,916,144	195,730,887—	13,044,067
Gold reserve	61,202,533	59,452,533+	1,750,000	68,452,533—	7,250,000
U. K. Banks	9,824,836	10,162,377—	337,541	13,353,415—	3,528,579
For. Banks	61,578,126	101,447,479—	39,869,353	62,324,280—	746,154
Gov. secs.	201,836,520	189,476,349+	12,360,171	214,461,583—	12,625,063
Call l'ns ab'd	185,653,891	204,437,459—	18,783,568	169,859,037+	15,794,854
	$ 796,572,031	$ 842,763,938—	$46,191,907	$ 803,033,018—	$ 6,460,987

Loans and Securities Other Than Those of Canadian Government

	Dec. 1922	Nov. 1922	Change	Dec. 1921	Change
Pub. sec.	96,432,184	85,676,253+	10,755,931	109,180,482—	12,748,298
Rly. sec.	42,320,294	42,107,444+	212,850	44,021,051—	1,700,757
Can. call l'ns	98,383,580	98,984,090—	600,510	113,071,089—	14,687,509
Current	1,065,226,894	1,105,630,178—	40,403,284	1,174,053,434—	108,826,540
Loans ab'd	157,657,083	149,244,165+	8,412,918	145,343,054+	12,314,029
Prov. loans	19,371,287	14,270,163+	5,101,124	7,913,135+	11,458,152
Municipal	57,014,733	69,889,587—	12,874,854	64,618,935—	7,604,202
	$1,536,406,055	$1,565,801,880—	$29,395,825	$1,658,201,180—	$121,795,125

OTHER ASSETS

	Dec. 1922	Nov. 1922	Change	Dec. 1921	Change
Over. debts	7,068,816	6,608,230+	460,586	8,444,145—	1,375,329
Real estate	5,614,726	5,521,796+	92,930	4,582,328+	1,032,398
Mortgages	4,572,507	4,594,538—	22,031	3,284,916+	1,287,591
Premises	71,826,756	71,529,704+	297,052	69,480,648+	2,346,108
Lets. of cred.	20,267,255	20,564,139—	296,884	22,985,738—	2,718,483
Other assets	4,158,069	4,083,046+	75,023	4,323,482—	165,413
	$ 113,508,129	$ 112,901,453+	$ 606,676	$ 113,101,257+	$ 406,872
Total	$2,446,486,215	$2,521,467,271—	$74,981,056	$2,574,335,455—	$127,849,240
Note cir. dep.	6,450,026	6,441,991+	8,035	6,529,310—	79,284
Int. bk. bal.	165,701,863	162,525,561+	3,176,302	165,867,840—	165,977
Gross	$2,618,638,104	$2,690,434,823—	$71,796,719	$2,746,732,605—	$128,094,501

LIABILITIES TO THE PUBLIC

Liability to Government and Circulation

	Dec. 1922	Nov. 1922	Change	Dec. 1921	Change
Circulation	$ 176,201,351	$ 169,626,264+	$ 6,575,087	$ 184,602,546—	$ 8,401,195
Dom. Gogt.	48,022,846	106,809,084—	58,786,238	121,190,191—	73,167,345
Prov. Govt.	30,560,457	24,953,254+	5,607,203	28,970,522+	1,589,935

Deposits by Public

	Dec. 1922	Nov. 1922	Change	Dec. 1921	Change
Dem. deposits	537,613,056	544,446,720—	6,833,664	540,942,522—	3,329,466
Savings	1,184,703,596	1,167,609,065+	17,094,531	1,240,807,268—	56,103,672
Total	$1,722,316,652	$1,712,055,785+	$10,260,867	$1,781,749,790—	$ 59,433,138
Foreign dep.	288,350,768	323,644,944—	35,294,176	270,721,507+	17,629,261

Due to Banks Abroad, Etc.

	Dec. 1922	Nov. 1922	Change	Dec. 1921	Change
U. Kingdom	$ 8,482,349	$ 12,912,691—	$ 4,430,342	$ 8,182,816+	$ 299,533
Foreign	30,163,550	27,419,048+	2,744,502	30,235,785—	72,235
Bills pay.	8,506,825	6,570,304+	1,936,521	11,167,844—	2,661,019
Acceptances	20,267,255	20,564,139—	296,884	22,985,738—	2,718,483
Other liab.	2,835,782	4,344,608—	1,508,826	2,319,043+	516,739
Public liab.	$2,335,707,835	$2,408,900,141—	$73,192,306	$2,462,125,782—	$126,417,947
Due det. bks.	11,757,121	10,158,570+	1,598,551	10,224,642+	1,532,479
Gross	$2,347,464,956	$2,419,058,711—	$71,593,755	$2,472,350,424—	$124,885,468

Credit Insurance

BY THE
WORLD'S LARGEST SURETY COMPANY

Enables the policyholder to set a limit to his business losses and make CERTAIN that they will not exceed this amount. The National's policies include, without charge, three distinct aids for collecting accounts.

Write us for particulars.

NATIONAL SURETY COMPANY

Head Office: 120 ST. JAMES ST., MONTREAL
CLARENCE F. SMITH, Managing Director.
J. S. FERGUSON, General Agent.
Credit Insurance Department
ROOM 1410, C.P.R. BUILDING, TORONTO, ONT.

This Bank Works for You

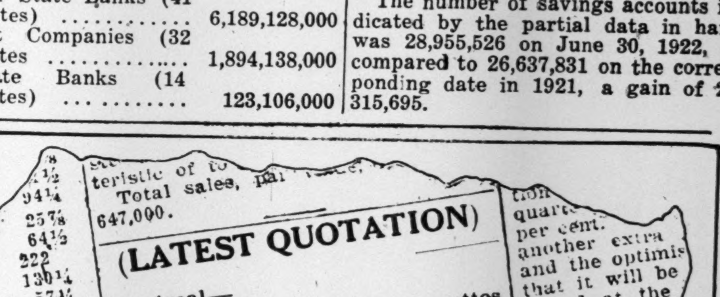
Manufacturers and merchants placing their business accounts in any branch of this bank, benefit by highly efficient service and expert advice on all matters pertaining to financing. In close daily contact with markets and exchanges, we are in a position to offer helpful co-operation in the transaction of your affairs. 343

IMPERIAL BANK
OF CANADA
OVER 200 BRANCHES IN DOMINION OF CANADA.
Agents in Great Britain: ENGLAND—Lloyds Bank Limited, London and Branches. SCOTLAND — The Commercial Bank of Scotland, Limited, Edinburgh and Branches. IRELAND—Northern Banking Co., Limited, Belfast and Branches. Agents in FRANCE: Lloyds and National Provincial Foreign Bank, Limited, Credit Lyonnais.

Quicker Action on Your Trade "Paper"

We would like to show you how promptly you can get acceptances and returns.

THE
STANDARD BANK
OF CANADA 477
Head Office, - - - - 15 King Street West
16 Branches in Toronto



(LATEST QUOTATION)
Montreal—
BRITISH CONSOLS Cigarettes are quoted today at
10 for 18c - 20 for 35c

HIGHEST STANDARD OF THE WORLD

For pipe smokers who prefer straight Virginia there is nothing finer than
BRITISH CONSOLS TOBACCO
84

THE FOUNDATION COMPANY
LIMITED
ENGINEERS CONTRACTORS

Hydraulic and Steam Power Developments
Industrial Buildings
Heavy Foundations
Dams and Bridge Piers
Underwater Construction
DRUMMOND BLDG.,
MONTREAL

NEWS AND VIEWS FOR MANAGERS

U. F. OF ALBERTA ASK PROVINCIAL BANKING SCHEME

But Farmers' Government Not Likely to Comply

From Our Own Correspondent

EDMONTON.—The demand for a provincial bank in Alberta has reappeared. It comes, as before, from the United Farmers, who at their recent annual convention passed a resolution urging the government to proceed in the matter. The present banking system is not at all satisfactory to the farmers' organization, and in place of it a government-controlled bank, operated under a commission of five, is desired. A request to this effect is coming from the convention to the Greenfield administration, and the Progressive members in both the provincial and federal houses will be expected to give the scheme their support.

In this demand for a banking service of their own the Alberta farmers are apparently quite in earnest. They indicated at the convention that they had expected action from the farmer government before this, resolutions in favor of a provincial bank having been passed for the last two years. Advocates of the scheme declared it was a simple matter to get a bank under way, and the farmers' business would keep it going. Only with such a bank in the field could they expect to get the service and the ready money, at fair interest rates, that they needed.

Government is Opposed

There is, of course, no possibility of effect being given to such a wish, earnest and long-felt though it may be. A year or more of experience at the helm has shown the Greenfield government that it has problems enough on its hands without courting more and that to enter into the banking business would be but to invite additional trouble, without any certainty of accomplishing the desired results. The resolution from the U. F. A. convention will not likely be dealt with until after the legislature, which is now in session, and in the meantime Prof. D. A. MacGibbon's report on banking conditions in Alberta will be laid on the table and will probably be followed by recommendations to Ottawa as to how the revision of the Banking Act should be carried out to help the situation from the Alberta farmers' angle.

Want Dominion Loans

Besides a provincial bank, the U. F. A. wants a Dominion loan department. Its proposal is that the treasury shall issue full legal tender notes from time to time to meet the business requiremenets of the country. This money is to be loaned direct to the people at cost, on the security of bonds on improved, inhabited, or used farms, and not to exceed a fixed margin of safety. The federal Progressive members from Alberta have been entrusted with the responsibility of presenting a bill to this effect in the House of Commons.

Still another financial scheme before the farmers' convention was a plan for funding debts. The proposal was that the government should either issue provincial bonds to liquidate the debts of farmers, especially in the drought area, or guarantee the bonds if issued by a private corporation. It was suggested that the debts be refunded over a period of possibly thirty-six years on a 6 per cent. interest basis, the farmers paying something also on principal each year.

Attorney-General Brownlee frankly told the convention that the government could not undertake such a scheme, even to the extent of guaranteeing it. If carried out on the lines suggested, it would mean doubling the capital debt of the province, and it was essential that the credit of the province be kept good if the loan companies were to stay here.

It was finally decided to hold a conference of the various interests concerned in the matter for the purpose of discussing it somewhat further. Premier Greenfield has since stated that while the government cannot do the funding in the way suggested, it is still well worth investigating on the chance of finding some other practicable funding plan. If the farmers' creditors could form a corporation of their own, in which the government would be a party, since the farmers owe it for seed grain advances, the collection prospects for them all would be substantially improved over their prospects at the present time. Whether or not something can be done along this line will be looked into at an early date. It is thought in several quarters that it offers the only hope for a considerable number of farmer debtors ever getting on their feet again.

MONTREAL

F. A. Fargey has been transferred from the Kingston branch of the Bank of Montreal, to Hanover as discount clerk. C. C. Bunn, of Brantford, has also been transferred to Hanover as teller.

R. F. Haney, of the Paris branch of the Bank of Montreal, has been appointed manager of the branch at Tavistock.

NEW FISHER BODY PLANT

Detroit—Fisher Body Corp. will build a plant in Pontiac to provide closed bodies for Oakland cars. Plant will have 800,000 feet of floor space and employ 2,500 men. Construction will begin soon.

CONSOLIDATED TRUSTS

Earnings in 1922 Slightly Under the Previous Year

The Consolidated Trusts of London, show a slight decrease in earnings for 1922, as compared with 1921, but they are materially higher than 1920. The 1922 total was $14,157, 1921, $14,859, and $1920, $11,215. Of this $10,000 has been placed in reserve and after making provision for taxes there is, with the addition of the balance forward from 1921, $4,774 remaining. The reserve fund now totals *$55,000; assets, $318,570 and liabilities $258,412.

The profit and loss account follows:

	1922	1921	1920
Earnings . .	*$14,157	*$14,859	$ 11,215
Expenses . .	....	....	725
Taxes	1,791	3,099	627
Net profits .	$ 12,366	$ 11,760	$ 9,863
Bal. forward . .	2,408	648	784
	$ 14,774	$ 12,408	$ 10,647
Distribution—			
Reserve . .	10,000	10,000	10,000
Balance . .	4,774	2,408	648
	$ 14,774	$ 12,408	$ 10,648

* Expenses deducted.

Canada Landed Paid Eleven Per Cent. in 1922

Canada Landed and National Investment Co. made a net profit of $137,214 last year, the lowest in some years. Gross profits were the lowest since 1919. Interest, taxes and commissions were the three big items of expense to show material increases over 1921. The balance to the credit of profit and loss at the end of the year was $42,182. During the year the company not only maintained the 10 per cent. dividend rate established in 1920, but increased it with a one per cent. bonus.

The profit and loss account:

	1922	1921	1920
Earnings . .	$433,260	$481,364	$484,419
Interest . . .	194,301	191,871	204,611
Management .	56,851	57,010	56,880
Taxes	27,001	18,411	19,030
Commissions . .	17,893	11,649	9,022
	$296,046	$278,941	$289,543
Net profits . .	$137,214	$202,423	$194,876
Bal. forward .	37,519	50,596	26,221
	$174,733	$253,019	$221,097
Dividends . . .	120,500	120,500	120,500
Bonus	12,050	....	....
Reserve	....	95,000	50,000
Balance	42,182	37,519	50,596
	$174,733	$253,019	$221,097

Earnings and dividends:

Year	Gross Profits	Net Profits	% Div.	on Cap.
1922 . . .	$433,260	$137,214	10+1	11.4
1921 . . .	481,364	202,423	10	16.7
1920 . . .	484,418	194,874	10	16.2
1919 . . .	445,053	151,684	9	12.6
1918 . . .	415,795	152,299	9	12.6
1917 . . .	417,267	158,209	9	13.1
1916 . . .	438,867	170,246	9	14.2
1915 . . .	454,574	199,200	9	16.5

BRANTFORD TRUST

Earnings of the Brantford Trust Company declined last year, the total being $24,862 compared with $29,138 in 1921. Taxes were reduced and expenses kept down with the result that net profits of $17,716 compared with $18,999 in the previous year. Dividends of $18,000 being at the rate of 6 per cent. were paid. Following are comparative figures:

	1922	1921	1920
Earnings	$24,862	$29,138	$23,059
Taxes	3,828	6,210	206
Fees.	..	..	715
Expenses	3,818	3,929	2,907
	$7,146	$10,139	$ 3,828
Net profits . .	$17,716	$18,999	$19,231
Bal. forward . .	3,433	2,434	1,202
	$21,149	$21,433	$20,433
Dividends . . .	18,000	18,000	18,000
Balance.	3,149	3,433	2,434
	$21,149	$21,433	$20,434

Following is a summary of the earnings record for the past seven years:

Year	Paid-up Capital	Net Profits	Div.	% on Cap.	Earn. Rate
1922 . . .	$300,000	$17,716	6	5.9	5.5
1921 . . .	300,000	18,999	6	6.3	5.9
1920 . . .	300,000	19,231	6	6.4	6.0
1919 . . .	300,000	18,588	6	6.3	6.0
1918 . . .	300,000	19,056	6	6.3	6.0
1917 . . .	300,000	19,750	6	6.7	6.4
1916 . . .	300,000	19,520	6	6.6	6.2

Assets showed an increase from $1,166,031 to $1,720,802, the increase being in trusts and estates under administration which increased from $832,098 to $1,386,864.

WEEKLY BANK CLEARINGS

(In comparison with same week last year)

EASTERN CITIES

	Jan. 25, 1923	Change	%
Toronto	$ 97,547,454—	$ 6,814,185	6.5
Montreal	83,220,549—	7,339,947	8.1
Ottawa	5,383,282+	275,413	5.4
Quebec	4,986,726+	434,045	9.5
Hamilton	4,837,186+	154,195	3.3
Windsor	2,641,902+	258,024	10.8
London	2,495,335—	124,968	4.8
Halifax	2,418,343—	544,319	18.4
St. John	2,400,165—	114,784	4.6
Moncton	935,425—	23,169	2.4
Kitchener	837,032—	27,769	3.2
Brantford	835,173—	116,707	12.3
Sherbrooke . . .	652,492—	139,647	1.8
Peterboro' . . .	609,123+	10,555	1.8
Kingston	490,293—	177,024	26.5
Total East . .	$210,290,480—	$14,290,287	6.4

WESTERN CITIES

	Jan. 25, 1923	Change	%
Winnipeg.	$ 31,732,163—	$ 2,560,788	7.5
Vancouver . . .	14,491,069+	2,256,116	18.4
Calgary	4,271,662+	28,314	.7
Edmonton . . .	3,501,677—	27,456	.8
Regina	3,019,687+	335,809	12.5
Victoria	2,310,650+	356,303	18.2
Saskatoon	1,300,516—	45,082	3.4
Moose Jaw . . .	902,693—	24,725	2.7
Fort William . .	625,482—	391,175	38.5
Brandon	457,077—	5,339	1.2
N. Westminster .	415,439—	10,413	2.4
Lethbridge . . .	400,203—	28,858	6.7
Prince Albert .	295,890+	5,578	1.9
Medicine Hat . .	282,242+	19,769	7.5
Total West . .	$ 64,006,450—	$ 91,952	.1
Grand total . . .	$274,296,930—	$14,382,239	4.9
Yr. to date . .	$1,259,815,807—	$18,040,381	1.4

SIMPLE RULES TO OUTWIT THE CHECK FORGER

Some Hints Which Should Be Passed On To The Customer

The following article on the prevention of check forgery is based on four practical suggestions as to how the operations of check artists can be reasonably safeguarded against. The points may not be new to the bank manager but they are perhaps not brought home to the bank's customers as often as they should be. The members of the bank staff can give effective service to the customers in this connection.—J. W. T.

Four principal reasons for the errancy of cheques and other negotiable paper have been assigned by the Forgery Prevention Bureau, 141 Broadway, New York. Reduced to their elements the four reasons may be classified under the general head of carelessness.

"This is not to assert," says the Bureau's statement, "that only those cheques which are drawn without any safeguards whatever are the prey of forgery. But it is a fact that ordinary care in the use of cheques by the drawer will go a long way toward hampering the crook in his criminal work. The exercise of this ordinary care with the use of standard devices for the protection of negotiable paper, it is reasonable to believe, will make the forgery and alteration of cheques practically impossible."

To any one who has given the matter even casual attention it is astounding and inexplicable how careless the average man is in the matter of guarding his cheques against going wrong, says F. Eugene Ackerman, in the Bankers' Home Magazine. No business man will neglect to install an up-to-date, efficient system of bookkeeping and cost according as a stop gap against losses in the conduct of the business.

Nor will he be a derelict in the matter of providing bolts, bars, locks, burglar alarms, private watchmen, time-lock safes and all the approved devices to guard against thieves. He will be equally cautious in guarding his home and his household treasures against burglars. Yet that same man will ignore all the rules of caution in the use of his cheques, which frequently represent in value far more than his household and office goods will total.

The business world only a few months ago was amazed at the statement that the annual losses in the United States through the forgery and raising of cheques totalled $50,000,000, or more, and were increasing at the rate of millions of dollars annually. Yet to those who have been conversant with the operations of the cleverest crooks in the whole criminal world and who know how comparatively easy the carelessness of cheque users makes their crooked operations, the only surprising thing about it is that the total of annual losses is not far greater.

The enormity of these losses will hardly be surprising when we stop to consider that in no country in the world is the use of cheques so great as it is in America.

When you consider the enormous volume of business transacted through cheques and when you consider further that millions of cheques are drawn without the observance of the most ordinary precautions against having them tampered with, it is only surprising that the annual losses through forgery and alterations is no greater than $50,000,000.

But this is an economic waste that may be in great part stopped by the exercise of ordinary care. The principal causes for cheque forgeries and alterations are:

1. Lack of care in guarding blank cheques against theft.
2. Improper drawing of the cheque.
3. Inefficient protection against theft of cheques in the mail.
4. Failure to use forgery proof paper and cheque writers.

Under the first head the Bureau advises that cheques be kept under lock and key, that they may be numbered serially and that the paper be on some special design or fabric that will be extremely difficult to successfully imitate.

To guard against loss by improper drawing of the cheque, the drawer should never have a cheque typewritten, but should have the payee's name pen written in a good quality of ink. The figures also should be written in ink, with a minimum of space between each figure in the amount. Where the amount of the cheque is written by hand, the writing should begin as close as possible to the left-hand margin and the unfilled space to the right filled in with two wavy lines, preferably in ink of a different color.

A favorite method of the forger gangs to get raw material for their operations is to rob the mail boxes of apartment houses and loft buildings. Where this is done they follow close in the wake of the letter carrier on the first morning delivery and the construction of the mail boxes now generally in use is such that an expert has not great difficulty in extracting the letters he is after. Once in hand he rifles the envelopes, appropriates the cheques and whereever they are of the primitive sort that lack careful drawing or any sort of safeguard, he skillfully changes the name of the payees and the amounts.

Under the fourth head there is little to be said, except that if forgery proof paper and cheque writing machines are used, together with the observance of precautions under the three other heads, the forger gangs will find the business so unprofitable that they will become discouraged. The use of such protective devices has the virtues of obviating the deficiencies due to the personal equation in the drawing of cheques.

WILL REDUCE BONUS

Announcement is made by Credit Canada, Limited, that the common stock bonus with the 8 per cent. convertible debentures of the Mount Royal will be reduced from 30 per cent. to 20 per cent. on February 1. The first month's earnings of "The Mount Royal" fully justifies the confidence of the management and the more than 3,000 shareholders. Earnings from the first month are on a basis of $200,000 per annum over the estimated earnings for the year. The remarkable record has been made with only 50 per cent. of the hotel in operation and before including income from the bar and the cafeteria.

WILLYS-KNIGHT

New Models for 1923 --- At new prices

Placing this Superb Car Within Reach of Thousands Who Have Always Longed to own a Willys-Knight

WILLYS-KNIGHT Models for 1923 eclipse, in originality and refinement of design, all previous achievements of this famous line.

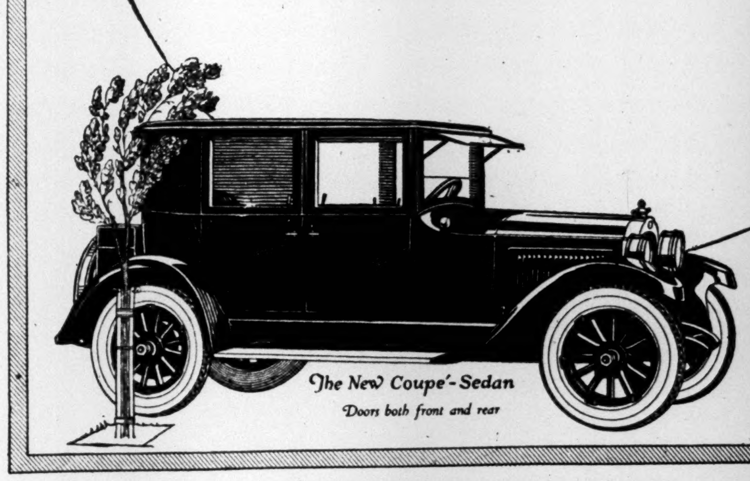
Four new body-styles on the 5-passenger chassis—plus an entirely new body-type known as the Coupe-Sedan.

The new 7-passenger Sedan and Touring Car are 7-passenger in fact as well as in name.

In all seven models, a beauty, a finish, a comfort and ease of operation in themselves remarkable; and doubly so when considered in relation to price.

Powered with the one motor that improves with use.

Willys-Overland Limited
HEAD OFFICE AND FACTORIES: TORONTO, CANADA
Branches: Toronto Montreal Winnipeg Regina



The New Coupe'-Sedan
Doors both front and rear

The Day of the KNIGHT is here

5-Passenger Chassis

Touring - - -	$1750
Roadster - - -	1750
Coupe - - - -	2450
Coupe-Sedan - -	2350
Sedan - - - -	2600

7-Passenger

Touring - - -	$2050
Sedan - - - -	2950

F.O.B. Toronto. Taxes Extra

Good Dealers Wanted for Open Territory

Progress in 1922

THE results achieved by the North American Life Assurance Company during 1922 continue to establish beyond question the strength and security of the Company. The following outstanding figures will be very gratifying to all interested in the welfare of the Company:

Policies Issued and Revived.	$ 17,931,327.00
Amount of Insurance in Force.	108,059,134.00
Assets	23,683,842.94
Payments to Policyholders.	2,402,039.74
Net Surplus	3,476,230.56
Surplus earned during the year exceeded.	1,000,000.00

These records are the outward evidence of the unexcelled financial position attained by the Company, and of the solid foundation upon which it has been built. In the North American Life, policyholders' interests are paramount, over 99% of the profits earned being allotted to them. When contemplating new insurance, see one of our representatives. If you desire fuller information about the Company's operations during 1922, mail the attached coupon.

NORTH AMERICAN LIFE ASSURANCE COMPANY
Head Office Toronto Canada
L. GOLDMAN, President. W. KERR GEORGE, D. McCRAE, COL., Vice-Presidents.

Agencies in all important Cities in Canada.

"Solid as the Continent"

Please mail me your complete
1922 Report, also "Solid as the Continent" Booklet.
Name..
Address..
Age...............................

THE FINANCIAL POST

Member of the Audit Bureau of Circulations.

President - - - - - - - - - - - - - JOHN BAYNE MACLEAN
Vice-President - - - - - - - - - - - - HORACE T. HUNTER
Manager - - - - - - - - - - - - - - GORDON RUTLEDGE
Editor - - - - - - - - - - - - - - - - - - J. W. TYSON

A weekly newspaper, presenting in a popular manner reliable information respecting investments and financial affairs in Canada.

No paid advertising, other than annual reports or official notices of corrections, will be inserted in the news columns unless marked "Advertisement."

Advertising matter is declined which has a tendency to mislead or which does not conform to business integrity. Acceptance of advertising will not deter the editorial department from making such comments as the situation may suggest.

No material from news bureau sources submitted for editorial purposes will be published, and no such bureau or individual should be paid any consideration or given any credit for the insertion or inspiration for any item.

ADVERTISING RATES:

Single Insertion .... $2.80 per inch
Financial Reports, Debenture Notices, etc., 20c. per agate line

SUBSCRIPTION PRICE:

Canada, the United States and Mexico ....$5.00 per annum
Great Britain, Ireland, and Colonies, having minimum postal rates .... £1 1s. 6d.
France and other Countries .... £1 7s. 6d.
Subscribers are especially requested to report any instance of delay or non-delivery of THE POST.

PUBLISHED BY
The MacLean Publishing Company, Limited
143-153 University Avenue, Toronto.

MONTREAL, Southam Building, 128 Bleury Street, M. Foster; WINNIPEG, 819 Confederation Life Building, E. H. Hawkins; BOSTON, 734 Old South Building, C. L. Morton; NEW YORK, Room 1606, St. James Building, 1133 Broadway (Corner 26th Street), A. R. Lowe; GREAT BRITAIN—London, The MacLean Co., of Great Britain, Ltd., 33 Fleet St., E. C., E. J. Dodd, director.

The detailed circulation statement we submit is not our own claim, but the sworn finding of the Audit Bureau of Circulations, the recognised independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A. B. C. inspection.

THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, FEBRUARY 2, 1923

THEN AND NOW IN THE WEST

LOOKING backward ofttimes renews courage for going forward. Certainly the backward look at Western Canadian conditions as given by W. E. Rundle at the annual meeting of the National Trust Company this week adds force to that faith in the future of the West which has been held by those who thoroughly know the country and the people.

It was natural that certain people of the West should be discouraged this year, when crops had failed in certain districts, when cost of production had been high, cost of carrying exorbitant and prices lower than of late. But Mr. Rundle's backward look at the prairie of 1898, and his comparison of things then with those of to-day puts these personal discouragements into proper perspective.

Twenty-five years ago the total field crop of the prairie was 62 million bushels. This year the estimate shows 800 millions.

In 1898 the population on the prairies was some 400,000—now it is only slightly under two millions.

Then the wheat production was 32 million bushels. This year it was 375 million bushels.

In 1901 the western live stock numbered 1,620,000, while in 1922 it counted 8,200,000 head.

Twenty-five years ago the savings deposits for all Canada totalled $140,120,000 while to-day the prairie provinces alone show savings of $200,000,000 though the West subscribed for $210,000,000 of Victory bonds.

Good ground exists for confidence in the future of the West. Good ground fortunately also exists for confidence in its present. The West has had difficulties, but as Mr. Rundle indicated it has made great headway and has given a fair return for the money loaned to make possible its development.

Mr. Rundle's full address, as it appears elsewhere, will be of great interest to all anxious to get a clear understanding of Western conditions.

EXPORT MEAT RATHER THAN LIVE STOCK

ESTABLISHMENT of a chilled meat trade between British Columbia and the United Kingdom by the water route through the Panama Canal, is regarded as one of the surest means of immediate salvation of the Western cattle industry. The Fordney-McCumber tariff law has effectively barred British Columbia beef from the Chicago market, which in days gone by has been by far the most profitable.

The majority of cattlemen believe that the United States duty will eventually be reduced or eliminated altogether. The market situation is complicated, too, by the high railway charges on cattle shipped across the continent for export to the United Kingdom. In fact, the cost of transportation is so high that by the time the stock reaches Liverpool and all bills have been paid, including feed and attendants, there is virtually nothing left to go back into the pockets of the cattlemen.

While it might be possible to ship live cattle by way of the Panama Canal, many cattle experts believe that the long voyage would result disastrously, as the animals would lose much weight and arrive in poor condition.

The only way out appears to be the establishment of an export trade in chilled meat, such as Australia has developed in mutton. This development would require co-operative action among the cattlemen, however, and for that reason the prospects of success are dubious, as the cattle interests represent one industry in which all previous efforts of bringing about commercial teamwork have failed dismally. The combination of present conditions, however, may be sufficient to persuade the cattlemen that their only course lies in co-operation and if that happens a new development of immense importance to the stock business west of the Rockies will spring into being.

The exportation of meat rather than that of live stock has frequently been urged by THE FINANCIAL POST as the proper basis for the live-stock industry of Canada. Not only does it mean the solution of the problem of high ocean rates, but it entails packing in Canada with Canadian labor and Canadian capital, and a supply of by-products for the Canadian farmer.

EASY IF YOU CAN GET THE MONEY

ON THE new Welland canal there are locks which will lift a five-hundred-foot boat more than sixty feet in one operation. To the layman this is wonderful but the engineers make light of it. "Steel plus cement multiplied by money will accomplish anything in the way of construction," said one of them to THE FINANCIAL POST, adding, "give us enough money and there is nothing we cannot do."

That is a point worth remembering when comparing public undertakings with private projects. A government has practically unlimited funds. It is this unchecked flow of money which makes accomplishment possible. In the case of the private corporation the capital must be raised on the basis that the project is sound from an engineering and construction standpoint to the extent that it will not only pay its way but will return profit on the investment—the engineers must plan in accordance with the capital secured on this basis.

Private projects have to be soundly conceived to get capital and must be efficiently carried out so that there will be a profitable return. Public ownership has no restraints because capital is secured on the credit of the government and service is at cost. A loss of private capital means that the project is a failure; a loss of public capital is merely absorbed in the public debt and included in the tax bills.

THE PRICE OF AGRICULTURAL DEVELOPMENT

WHATEVER the benefits in the way of agricultural development to be derived from the Ontario government's scheme of rural credits, it is evident from the first annual report of the Agricultural Development Board, that they are not being secured without considerable initial expense to the province as a whole. For the year the interest accrued on loans was $3,000 more than interest paid for capital, but after the payment of expenses there was a deficit of over $10,000. While expense ratio in the first year would naturally be high and Chairman Farrow speaks of a time when the board should pay its way, it may be pointed out that no reserve has been set up for interest or principal which may not be collected, while it is not clear whether allowance has been made for preliminary expenses and such items of overhead as rent, etc.

The justification of the government venture into the farm mortgage field lies in increasing agricultural development by loans which would not be extended by private companies. Seventy-five per cent. of the loans have evidently been on this basis as it is indicated that 25 per cent. were for the discharge of existing mortgages. The danger point in the government scheme is that loans and the interest thereon may be difficult to collect—experience has shown that a government obligation is not seriously regarded by a great many people, particularly people who cannot get a loan from a mortgage company.

Another point is that insofar as financing the discharge of present mortgages is concerned there is competition with companies which pay heavy provincial taxes. They not only lose some business under such competition but their taxes are automatically increased to meet the larger government expenditures entailed in development programs which do not carry themselves.

The necessity for the development of Canada's agricultural resources is generally recognized. But it is well that the price of such development should be understood and recognized and in this respect the report of the Ontario Agricultural Development Board reflects a business-like course on the part of the government.

HYDRO A POWER UNTO ITSELF

HOW THE Ontario Hydro Commission has set itself above the courts is emphatically brought out in the supplementary report on the system made to the Electric Light Association by Murray and Flood. Legislation providing, for instance, that "no action can be brought against the commission or any member thereof for anything done or omitted in the exercise of his office without the assent of the Attorney-General of Ontario, while neither the province nor the commission nor any member thereof, shall incur any liability by reason of an error or omission in any estimates, plans or specifications prepared or furnished by the commission."

The Hydro commission has power to sue and bring an injunction against a municipality, "but the municipality is not given the right to sue without obtaining a fiat, nor can it bring an injunction against the commission to stop construction to which it may object."

"Legal subterfuge" is the way the report refers to the lifting of legal barriers under the Ontario-Niagara Development Act, which states that "the making use of the waters of the Niagara river to generate electric or pneumatic power, shall not be considered for the purpose of the act as using the waters from this river. By this clause it is possible to abrogate the contracts between Victoria and Niagara Falls Park Commission and the privately owned power companies on the Canadian side of the Niagara river." Likewise, in the same act, there is provision "to abrogate the fixed minimum price to municipal corporations which was guaranteed to them when they entered into a contract to take power." Another similar point is contained in the Power Commission Act, which allows "an appropriation to be made by the government when the legislature is not in session, thus removing the right of the people to vote money only through their elected representatives."

The report also calls attention to the manner in which the Municipal Act has been ignored in regard to Hydro financing. The Act specifically states that "the whole debt issued by a municipality for public utilities must be retired in thirty years while the Hydro Electric Railway Act extends the sinking fund period to fifty years and at Port Arthur and Fort William it is extended to forty years."

In a letter accompanying the report Mr. Murray makes the point that "municipal operators have never been known to tolerate the light of searching analysis." When this desire to evade business principles is coupled with legislation which puts public ownership beyond the law and beyond the control of the people, it is not to be wondered that Premier Drury has been investigating before allowing the province to be plunged into new ventures.

EDITORIAL NOTES

COMPETITION HAS brought Mediterranean immigration rates down 25 per cent. Companies are rebating $25 on $100 third class rates to this side. This should encourage Italian emigration to Canada.

* * * *

"INCREASE OF $10,000,000 in ordinary expenditure of Ontario is believed possible."—Toronto Globe. In view of the spending records of governments in recent years we would certainly believe that it could be accomplished.

* * * *

THE MAIL AND EMPIRE complains that the Ontario Government legislative programme for the Session is one of the lightest which has been brought down for some years. The business interests of the country will thank Heaven for that. It is to be hoped our contemporary will be able to make the same charge against Ottawa next week.

* * * *

IT IS ESTIMATED by Sir Adam Beck's engineers that 2,000,000 horsepower could be developed on the St. Lawrence for $254,000,000. Sir Adam Beck's engineers estimated that the Chippawa power canal could be built for about $10,000,000. It has already cost $70,000,000. Would Sir Adam's control of the St. Lawrence scheme mean that the same rate of increase would apply?

* * * *

NEW BRUNSWICK'S financial statement for 1922, just issued, has three vital elements worthy of commendation. It is timely, appearing within three months of the end of the fiscal year. It is an actual statement of revenue and expenditure, not merely a record of receipts and payments. Accounts receivable and interest accrued, for instance, have been included. The statement is accompanied by the certificate of an independent firm of auditors. When other provinces have improved the form of their public accounts comparisons between provinces can be made intelligently.

Blue Ruin Preachings Keynote of Alberta Farmers Annual Meet

Wood's Address Laboring on Pessimistic Outlook, Was Destructive and Unfortunate — Deliberations of Little or No Value as Aid to Agriculture

By E. CORA HIND.

A stranger sitting through the twelve sessions of the fifteenth annual convention of the United Farmers of Alberta, held at Calgary last week, would certainly have come to the conclusion that the whole province was travelling fast to the "demnition bow wow" and—dragging the whole civilized world at its heels; but if the same stranger had chanced on the Pallister Hotel on the night of the "Old Timers" banquet and studied the faces of the 300 men and women who, with hundreds of others, have made their home in Alberta for 33 years or longer, he would have been cheered with the belief that after all the destiny of that great province is not wholly in the hands of the pessimists, and that the faith and courage of the men and women who pioneered in the eighties of the last century will eventually be justified. Incidentally the stranger would note that scarce a U. F. A. delegate was to be seen among the "Old Timers." They were all busy preaching blue ruin at the Memorial Hall.

Looking back at the convention after an interval of some days and endeavoring to get a just perspective of what the convention stood for it is difficult to decide whether to laugh or weep at the futility of 550 people spending ten or eleven hours daily for four days and accomplishing so little that was constructive or calculated in the slightest degree to improve the conditions of agriculture in Alberta. From first session to last the convention reflected the president's address which was one wail of pessimism, with industrial group government the only hope of salvation. So gloomy was this address that thought instinctively reverted to the famous Old Country dissenting parson who, having among his flock a certain titled lady, who had him roused from his bed in the middle of the night by a scared young footman, who reported his mistress in great agony as she feared her soul was lost, pertinently inquired of the messenger, "And what did her ladyship eat for dinner?" Joking aside, the address from a man occupying Mr. Wood's position was nothing less than unfortunate as it was, whether designedly or not, destructive and not constructive; and destructive in the most dangerous and subtle form because it sought to break down the faith of delegates in present systems of government, of finance, of economics, in fact in everything which to-day forms a part of the mechanism for carrying on the business of the country and in its place offered nothing but his nebulous theory of industrial group government. It abounded in phrases "over-abused economic systems;" "Blind Samson of finance;" "Industrial system tottering to a fall;" "economic autocracy;" "systematic mass movement;" "democratic citizenship action;" "primitive savage politician shooting poisoned arrows of stupid slander," were a few of the choicest. Miles Standish of Old claimed he was "a maker of war and not a maker of phrases." Mr. Wood might reverse that claim and no one would dispute his right.

Having delivered this jeremiad to resounding applause Mr. Wood took little further apparent interest in the convention except in connection with an amendment to the constitution whereby the executive would be appointed by the board of directors instead of being elected by the convention as in the past. This question was hotly debated, almost all the speakers being in opposition to the change, and the question was about to be put when Mr. Wood spoke strongly in favor of the amendment to the constitution and urged its adoption as being "more democratic" than the present method, and also likely to facilitate conduct of business. Mr. Wood made it quite clear that he was keen on this change in the constitution, but it was voted down by a very large majority. This was the first time that President Wood has received such a setback; more than once in the past his mere expression of opinion has been sufficient to sway the convention from one opinion to the very opposite. While he was re-elected without a ballot, George Bevington, who was nominated against him, withdrawing at the last moment it became increasingly evident as the convention went on that from the dragon's teeth of discontent, which Mr. Wood has been sowing year after year, an army has sprung that he cannot control, and whose taste in colors is vermillion. For years, in season and out of season, he has preached that everything in Canada, government, finance, banks, loan companies, etc., are wrong and now the suspicion engendered by such teaching is bearing bitter fruit in the organization which, as Carlyle remarked of the French Revolution, is beginning to eat its own children; in other words, a section, and by no means a small section, of the convention criticised in a manner manifestly deeply tinged with suspicion, the work of the officers individually, the work of the central board; their own commercial companies; the work of the Canadian Council of Agriculture; even their own pet government at Edmonton did not escape, nor the Progressive group at Ottawa. Petty details of expenditure were chewed over and hours of time wasted in the most futile discussions; until every official must have said in his heart, at least, "Ingratitude, thy name is U. F. A." One point brought out in these discussions was that the $10,000 deficit is really a hang-over from the political campaign of 1921: money borrowed from the United Grain Growers, and would rather indicate that, in spite of the much wanted better way of raising campaign funds, the U. F. A. members, or the apostles of the group form of government, are not much more keen to dip into their own pockets to pay election expenses than devotees of the old line parties.

Membership

With a decrease in membership of more than 50% in a single year, namely from 37,721 in 1921 to 18,829 in 1922, (this includes juniors), there was naturally considerable discussion of the cause. The president blamed the falling-off mainly to the hard times, claiming that "not only every dollar but every cent had been needed to buy the primary essentials of life," and his second reason was, "reaction from abnormal political activity in 1921." The secretary had made a very definite effort to find out the cause by sending out a questionnaire. To this only 155 locals out of a total of 1,509, had replied, and of these 94 had given hard times; 24 blamed increased fees, 12 locals mentioned lack of interest, probably the 1,354 locals that failed to reply at all might truthfully have given the same reason; six gave the special session indemnity. Possibly the most weird reason given for decrease was "confusion of ideas caused by associated press." Locals were asked to suggest methods of replacing membership; the majority of these were rather stereotyped but two stood out, one was "a good crop and a good price," another said, "make organization democratic, retrench to meet the times. Investigate some of the outstanding events of past three years at your convention with an open mind, eliminate egotism and arrogance from top down. If this cannot be done there is no hope of revival." In the vernacular of the day, this secretary "said a mouthful." Many delegates have come year after year and gone home again with little or nothing of constructive work to report to the locals sending them, and this dissatisfaction has been probably far more widespread than officials at headquarters were willing to admit to themselves. It is notable that seven locals out of 155 replying, gave politics as the cause of decreased membership. It would be interesting to know how many locals not reporting might have given the same cause.

The Cost

The annual convention is costly to the locals even if they send only one delegate. There were roughly 550 voting delegates this year. The railway rate of the pool alone was $11.25 for each delegate or over $6,100 for railway fares. The time from home of each delegate would be at least five days and a very low estimate of expenses would be $3 per day, $15 per delegate or at least $26.25 for these two items alone, $30 for each delegate would be nearer the mark. Then there were the convention expenses at Calgary, light this year owing to the hotelkeepers subscribing the $200 for hall rent, but it is safe to assume the convention cost locals and central at least $20,000 to hold. Not too large a sum if value was received for the expenditure.

What They Got

Let us glance at what they got for their money. They would be able to report to their locals the passing of a resolution again demanding a compulsory wheat board for one year which was a foregone conclusion and that in the opinion of President Wood the reason they did not have one last year was because the Federal House did not pass exactly the right kind of resolution. What they did not learn was why, if as claimed, every farmer in the country wants a pool method of selling wheat, compulsion should be necessary to make him deliver to the pool; nor did they get the slightest inkling of what plans were being formulated to turn the arbitrary pool into a co-operative organization for another year. They had the pleasure of hearing Premier Greenfield's assurance that immediately after the present session of the Local House the Provincial Government will make "a comprehensive study of marketing of all farm products through co-operative provincial agencies and if interprovincial is possible so much the better," but they could have got that from any daily paper and every convention delegate knows Premier Greenfield well enough to know that any statement made by him will be carried out. They will be able to inform their locals that the convention endorsed the western route for Alberta grain and that the Premier of Alberta had been in conference with the Premier of B. C. in this matter, that he considered the route feasible and logical and that every possible effort would be made to develop it. They will also be able to report the endorsation of the Hudson's Bay Railway and an urge that it be completed. They can report the passing of a resolution demanding a provincial bank, which according to George Bevington of Winterburn, will furnish them with cheap money and as much as they want, but if they are truthful delegates they will add that his explanation of how this could be done, sounds remarkably like a fairy tale, plausible but highly improbable. They can report a consolidated resolution on seed and feed for needy settlers in which it is claimed that mortgage companies should furnish the seed and feed necessary, but that as this scheme could not be enforced that the Federal Government furnish seed and feed, spreading the responsibility over the whole Dominion and that any public funds allocated for immigration purposes be used for this purpose instead. As one really constructive plan for improving conditions on the farms they can report the adoption of the United Grain Grower plan for co-operative marketing of livestock. Of course the scores of delegates who left the hall while this plan was being discussed will hardly be in a position to do so intelligently, but those who stayed and endorsed it will take home something really practical.

Funding Debts

Delegates should report that in spite of the fact that Premier Greenfield having announced at the opening of the convention that the Provincial Government would not undertake any scheme of funding farmers' debts, a resolution demanding that this be done was brought in and discussed at length and had it not been for the timely intervention of Attorney-General Brownlee the convention would have gone on record as desiring the whole province to be included in the drought area, or in other words a moratorium over the whole province, the provincial government to assume the responsibility of funding the farmers' debts. It is to be hoped delegates will report to their locals how well Mr. Brownlee handled an exceedingly difficult situation and saved the convention from damaging the credit of the province to such an irrevocable extent with Premier Greenfield. The Attorney-General is fully aware that while at the moment immediate credit is lacking the farmers of Alberta are not insolvent, and the province as a whole, with its vast natural resources, is perfectly sound. The Attorney-General's assurance that an effort was being made to find a solution of their problems and asking for a little trust, time and patience, while well received by the more reasonable members of the convention, was by no means acceptable to the Vermillion element, but fortunately for Alberta they were in the minority though the vote was a fairly close one. In connection with debt funding there were many references in the discussion to the success which had been achieved by the governments of New Zealand, West Australia, in doing this. It is a pity, however, that in reporting this discussion, delegates will not be able at the same time to tell how this success came about. It might interest members of the locals to know how complete is government control of farming under such a system, how it involves the milking of whatever number of cows the government decides you should keep; the planting of fields just when, how, and to such crops as the government experts decide and that a cancelled agreement is the price of disobedience to government regulations.

With regard to debts it was noticeable that while no one delegate openly suggested repudiation of debts, public or private, there was an undertone to that effect; it came nearest to open expression by the delegate from Brutus, Carl Axelsom, when following Mr. Brownlee's statement that Alberta must go into the markets of the world next year to borrow $13,000,000 to meet a bond issue falling due, he exclaimed, "Another effort to keep us in perpetual serfdom."

This about sums up what any delegate could carry home to a local as work accomplished and truly it is not much. Truly the U. F. A. mountain travailed and brought forth a mouse.

Of course there would be other family squabbles about expenditures, merits of north and south as to place of meeting, carrying on of their newspaper, etc., but while these might have a certain interest they could scarcely be regarded as either helpful or constructive though hours of time were wasted over them.

Whether the doings of this convention be received with tears or laughter, and the latter would probably be more nearly what they deserve, one thing is certain, that with its 50% cut in membership the U. F. A. no longer, if it ever did, represents the considered opinion of rural Alberta, and resolutions from its annual convention should cease to be so seriously regarded by governments as they have been in the past.

It is a matter of regret that many of the leading delegates of former years were conspicuous by their absence, their places too frequently being taken by foreign-born delegates, who, whatever their other qualifications may be, are sadly lacking in a knowledge of our language, laws and ideals and therefore should not be entrusted with the responsibility of passing resolutions or formulating policies which, peradventure, may crystalize into laws widely divergent from British ideals. The U. F. A. locals and conventions should have been good training schools in Canadian and British citizenship for our new Canadians. Unfortunately they seem too often to have had an opposite effect.

"Sunny Alberta" is being grievously wounded in the house of her so-called friends; her real friends, who are laboring to help her through the present crisis, are receiving destructive criticism instead of constructive co-operation just at a moment when the province needs—to quote Kipling:

> "The everlasting team work
> Of every blooming soul."

What Are Your Securities Worth?

A periodical review of all investment holdings is highly desirable. It may enable the investor to take advantage of an unusually favorable market for the sale of some securities and, moreover, it affords a protection in cases where declines appear to be indicated.

Many estates, institutions and private investors make it a practice to have their holdings valued frequently.

We shall be glad at all times to make valuations for any holder of securities, without obligation, or to make suggestions as to the betterment of holdings by purchases, sales or exchanges.

If you will forward us a list of your securities, we will gladly give you the benefit of over thirty years' experience in investment matters.

Investment Securities

A. E. AMES & CO.

UNION BANK BLDG. - - - - - TORONTO
TRANSPORTATION BLDG. - - - MONTREAL
74 BROADWAY - - - - - - - NEW YORK
BELMONT HOUSE - - - - VICTORIA, B.C.
HARRIS TRUST BLDG. - - - - CHICAGO

Established 1889

Members Toronto and Montreal Stock Exchanges.

INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

CLIFTON PORCUPINE MINES

J. C., London—Do you consider it advisable to invest in the Clifton Porcupine Gold Mines shares at the present market price?

Clifton Porcupine looks like a pretty good speculation. Power shortage is delaying production but development is going ahead. Present quotations are 24½-25. Recently a block of stock was sold at 30c while early in December the market was around 46-47. The property is one of merit and is in fairly good hands.

STOCK SALESMAN LICENSE

Subscriber, London—Is it necessary, under the Canadian laws, to take out a license or report yourself as a salesman if a person just occasionally sells some shares or stocks direct to another person?

The so-called Blue Sky law, really a fraud law, which has been under consideration for Ontario for some time, and which may become law this session, makes it necessary for salesmen to be licensed. At present that is not the law. However, you had better keep tab on the Act as finally passed. Then you will know exactly how you stand.

VOTING TRUST

Reader, London—What is meant by "Voting Trust Common" for instance as quoted in your statement regarding the L. R. Steel shares in the current issue of the Financial Post, and why are such shares valued at so much less than the ordinary common shares?

"Voting Trust common" means that the stock is tied up in trust as to the voting power. It is really a pool of the stock insofar as voting power is concerned. It is usually the practice to issue receipts for the stock and these may be dealt in and reserve dividends, if any, the same as the stock itself, but they have no voting power.

RSC INVESTMENT-SERVICE

INVESTMENT ITEMS
ROYAL SECURITIES CORPORATION
Canada's Fundamental Need is An Aggressive Immigration Policy

"Investment Items" is unquestionably the finest review of Business and Investment conditions in Canada. It not only gives the facts about these conditions, it explains causes so that you may understand the whys and wherefores.

If you own Victory Bonds or any other investments whatsoever, you ought to read it regularly. Send now and get a copy. No charge.

Royal Securities Corporation, Limited
164 St. James Street
MONTREAL

B. C. FISHING

Reader, Woodstock—I own 25 shares B. C. Fishing bought some time ago at $65 a share, now around 23. Could you let me know what the prospects are for this company and if, in your opinion, the stock is likely to increase in value or would you advise selling out at tre market?

B. C. Fishing is now selling around 24. During the past year it fluctuated between 22 and 30, rising to the latter point near the end of each quarter on buying, having its basis a hope of renewed dividends, which have been passed since the middle of 1921.

The salmon pack of 1922 was 1,290,326 cases, the largest since 1919. This is a material improvement over 1921, yet the overseas marketing conditions continue unsatisfactory and it is difficult to distribute the product of the company freely and satisfactorily. Gen. Manager Muirhead recently wrote stating that he expected to soon see a revival of demand and a stiffening of prices.

As the stock is practically around the low now and as you have undoubtedly held it since late 1919 or early 1920, through the worst periods of reconstruction, it would seem foolish to sell now.

ZENITH COMPANIES

A. W., Westmount—I have had some money invested in the Zenith Companies Inc. Would you advise me if it is a safe investment or not?

The Zenith Co. is a holding company controlling the Merchant Casualty Co., the Union Fire and Casualty Co., head office, Winnipeg, and the Merchants Life and Casualty, Minneapolis. The Canadian companies do business in every province and the Merchants Life operates in 18 States. Some criticism has developed in matters relating to the promotion and stock selling of these issues in Canada, but the men at the head of the Company are credited with ability and they may develop a successful proposition. You ask if it is a safe investment. That specie of investment is non-existent. The venture is speculative. The reports on 1922 operations should be watched for. It has been a bad year for fire companies, a fair one for casualty companies and a good one for life companies. The Zenith is interested in all three.

AMHERST PIANOS

Subscriber, Nova Scotia—Are the shares of "Amherst Pianos" worth anything?

This concern is doing business at Amherst, N.S., having been formed in 1813 by John A. McDonald, now Senator McDonald, disposing of his good will and interest in Halifax Music Store. Dividends of 7 per cent. have been paid to May, 1915, but since then nothing. Over 50 per cent. of the invested shares are now swallowed up in interest due for the past seven years; a continuation of this for 7 years more will leave nothing but good will.

In answer to this inquiry the management at Amherst, N. S., was written, and the following reply received:

"It is quite correct that Amherst Pianos, Limited, are behind in their dividends a number of years.

"The company was started in 1913 with what was considered by the management as sufficient capital to operate a factory and two retail branches. In the beginning this was found to be sufficient and at first dividends were regularly paid. After two or three years, however, conditions had changed so completely that the original capital was not sufficient to conduct the business. Therefore, although the company made a sufficient profit each year on paper to apparently warrant a payment of the regular dividend, this money had to be utilized as additional capital. For this reason it was found impossible to pay the dividends and, of course, when the slump came a couple of years ago, the company ceased making profits, although they continued to operate so as to be in working condition when times again became normal.

"This present summer, however, we put a new piano on the market that immediately made a hit and in a very short time we had more orders than we could fill, and we are at the present time working at full capacity and are again on a profit making footing.

"The matter of dividends, of course, depends largely upon how long the present activity lasts. Just at the present moment things are looking very bright. But as the goods we are manufacturing are more or less of a luxury, we are the first to feel any slump."

INDUSTRIAL CORPORATIONS

A. T., New York—It has occurred to us that you might be able to help us out in the way of compiling a list of industrial corporations in the Dominion of Canada. Is there a publication that we could obtain from which these facts could be gathered?

There are a number of publications that will give you information concerning Canadian industrial corporations but no single publication that will give you a list of all such companies. We doubt if such could be made up from such sources of information as are available as some of the provinces do not provide very thorough information regarding provincially licensed companies.

THE FINANCIAL POST'S recent industrial number will give you the principal facts concerning 106 industrial corporations whose securities are listed. We would be glad to send you a copy on request.

The most complete information obtainable though, and it is in a form that would probably suit your requirements, is contained in the annual report of the Secretary of State of Canada. The report for 1922 is now ready and can be obtained from the King's Printer, Ottawa, for 40 cents. Many thousands of companies with their capitalizations, outstanding bonds, head office, etc., are listed therein.

BROMPTON AND ABITIBI

Reader, California—Would an exchange of Canada Steamships into Brompton or Abitibi be a good move?

Brompton and Abitibi offer rather attractive speculative inducements for purchase. Both are in a much better position than they were last year and the present year should mean much higher earnings than in 1922. We look for dividend consideration to be given seriously to Brompton towards the end of the present year and an increase in Abitibi either in the form of a bonus or a regular dividend also during 1923. The industry's stock is in a remarkable position and the only danger facing it seems to us to be the possibility of a second wave of inflation through increasing the production of newsprint. The attention of the manufacturers, however, has been drawn to this and is being drown continually, and a more cautious course may be followed by them than has been evident for the past two or three months.

It might be worth your while selling some of your Steamships and buy some Brompton and some Abitibi if you are prepared to hold them for a year or more. Or you might sell some Steamships and wait until the present European situation becomes clearer before making any further purchases. The situation you present is a difficult one and we would not care to venture further in the way of a suggestion at the present time.

KANADDA BISCUIT

A. S., Brantford—Will you please advise me if you would consider the Kanadda Biscuit Company of Canada a good investment. This company has located in Brantford and is selling stock to the residents here. What chances have they, a newcomer, in the biscuit market? Will you please give me all the information available.

The Kanadda Biscuit Company is a new promotion backed by men of experience in the biscuit-making industry. Some months ago it was reported that a site had been secured in Hamilton and that an endeavor was being made to secure capital to go ahead. Evidently these efforts met with indifferent success to judge from your statement that the location has been changed to Brantford and that an effort is being made to raise capital there. In May last the hope was expressed that capital would be in sight to commence building operations by July 1st.

Opinions in the trade are that the biscuit manufacturing field is pretty well covered in Ontario, but there would seem to be no other reason why a new venture along the lines indicated and properly managed should not succeed. The evident failure of earlier plans, however, would indicate that considerable promotion work has to be done before the concern reaches the operating stage.

CANADA STEAMSHIPS

S., California—"Post" of January 5th just to hand in which I notice an article on "Steamships" which does not look encouraging. I have held on to it for several years in the hope it would improve. I have 30 shares at 81¼. At present price of 55 this would be quite a loss. I would like to have your opinion if it would be better to take this loss rather than risk a further drop. What do you think of its future?

Since you wrote "Steamships" preferred has gone down several points more until its selling at the present moment around $51 a share and the common stock is even weaker in proportion. The recent drop, we feel, is due to a considerable extent to the announcement made by the government that a royal commission would be appointed to investigate the reason for the high freight rates charged by the shippers during the past season, and to the relation that exists between the Standard Shipping Co. and Canada Steamship Lines through its vice-president and general manager. There has also been a good deal of confusion existing in the public mind as to the real meaning of two financial statements that have been issued by the president recently, as the information given did not enable anyone to form an adequate opinion as to the real standing of the Company in earnings compared with previous years. It seems unfortunate that the Company has not been more frank in dealing with the shareholders than it has been, and that a complete reversal of the former policy has not been inaugurated. Under all these circumstances we feel that Steamships preferred is in for a hard pull and that while it should again reach higher levels, the progress will be slow.

RIORDON PREFERRED

Reader, Hamilton—I hold 10 shares Riordon 8 per cent. preferred bought around $50 per share. What would you advise in regards to averaging up at present prices? Do you think some common and preferred would be better than all preferred, or would you hold off until something is definitely settled in the affairs of the Company?

We would strongly urge you against risking anything more in Riordon securities at the present time. So far as the common stock is concerned we do not see how very much can come to the shareholders in the financial reorganization that must be made within the next year. There has been a suggestion made that the only rights that will remain with the holders of either common or preferred is the privilege of subscribing for some new issue that may be required to finance the Company. In any case the question as the future of the Riordon Company and what the securities will be worth eventually is too uncertain to warrant you risking anything more in purchasing them at the present time. The policy of averaging up on a purchase made at a higher level works out satisfactorily when one has a fairly good idea that the stock will advance from the lower levels but you have no such guarantee in the case of Riordon. It may do so or it may not. If it does not then your money might be thrown away.

GOUDREAU GOLD MINES

Reader, Ailsa Craig—Will you kindly give me what information you can regarding the Goudreau Gold Mines. I understand Geo. Glendenning, of Toronto, is interested in financing the company.

Goudreau Gold Mines is controlled by Messrs. Fisher and Glendenning, Toronto. The latter is in charge of selling a block of the stock to provide funds for sinking to deeper levels, and provide a plant.

This property is the first in this area. Clement Foster, a mining man of experience and standing, purchased a number of claims from prospectors. He informs us that the last payment was made for the property in December.

Sufficient development was carried on to prove the presence of a large ore body giving good volume, before stock was offered for sale. This was the result of sinking two shafts 200 feet and doing nearly 1,000 feet of drifting. At the present time the main working shaft is being timbered and when this is ready and a new pump installed a contract to sink the shaft another 200 feet will be let.

The Goudreau is a legitimate mining effort, the principals having spent about $15,000 a month for 10 months before making an offering to the public.

ALBERTA FLOUR MILLS

H. H., Winnipeg—Several years ago myself and a friend subscribed for shares in a Calgary concern designated Alberta Flour Mills. I understand they have spent a large sum towards part completion of the mill but that no activity whatever has taken place for several years. No dividends appear to have been paid. Will you please let me have your opinion as to the prospect and possibilities for this venture?

The depressed state of the money market for industrial investments interfered with the marketing of the securities of the Alberta Flour Mills to the extent that not enough capital was secured to complete the mill and start operations. To bring the project to the operating stage would require about a million dollars additional and efforts are now being made to secure this money in England. The flow of English capital to Canada has increased with the improvement in exchange and reports indicate that the attitude towards the Alberta concern is favorable and that negotiations are making progress.

While there has been in Calgary, we understand, some difference of opinion as to the financial success of this project it may be pointed out that it is backed by some of the most progressive business men in Western Canada and that the mill as planned is thoroughly modern in every respect and should produce a product on a favorable competitive basis while there is an immediate market for the sale of the by-products to stock raising.

Under the circumstances there would seem to be nothing to do but await developments. Perhaps some representative of your company in Calgary could give you additional information as to local developments.

The Outlook for Flour Stocks

What are the facts as to the milling industry? They are assembled and carefully reviewed in the new issue of Greenshields Review.

Write for a copy

Greenshields & Co.

Dealers in Canadian Bond Issues
Members Montreal Stock Exchange
Montreal: 17 St. John Street
Toronto: 14 King Street East
Ottawa: Central Chambers

Over Million Dollars Invested in Bank Stocks Since First of Year

Reader, Glamis—Do you consider Bank of Hamilton stock at 170 a safe and good investment? Also your opinion in general on bank stocks?

Since the first of the year there has been a steady accumulation of bank stocks for investment purposes with the result that in all but two cases the issues of this group are now selling at a point in advance of the opening price at the first of the year. This is due to two things, available funds for investment, and a reaction from the feeling that has existed since the Merchants Bank trouble arose. Annual statements of several of the banks which have been issued indicate that there is no need of the apprehension which the Merchants Bank case gave rise to.

As a class bank stocks have stood high. You ask if it is a "safe" investment. We always take the stand that no investment is safe. It is hazarding money to the end of earning a reward and no matter what care is exercised there is a risk of loss though this may be reduced to a minimum.

In investing funds in bank stocks, however, there are a couple of things to bear in mind. The tendency to government competition, especially in the savings field, and possible amendments to the Bank Act certain to be a live topic at the coming session of the Commons. Also the double liability clause. You will pay $68 over par for Bank of Hamilton stock. If the bank failed you would not only stand to lose your $168 but you would also be liable for another $100.

At .68 the yield on Bank of Hamilton stock is above 7. The annual statement of the bank is not out yet and this may have something to do with the neglect of this issue.

The range of bank stock prices since the 1923 accumulation practically places them back in the position they were before the weakness as a result of the Merchants Bank case developed.

The price range follows:

	—1922—		—1923—		
	High	Low	Open	High	Recent
Commerce.	191¼	180¼	193	201	200
Dominion.	196½	186½	191	200	200
Hamilton.	175	163	170	170	168
Imperial..	182	160	180½	181	180
Molsons ..	170	157	162	175	175
Montreal..	235	212½	231	236½	236
N. Scotia.	259¼	252	254	257⅛	257⅛
Royal	207	194	208⅛	223	219¼
Standard..	204	198	204	206½	203½
Toronto...	188	174	183	188	188
Union	142	134½	136	140	140
Hochelaga.			150½	152	152
Nationale.			100	100	100

Perhaps the best way to visualize the amount of money that has been invested in bank stocks since the first of the year is to consider the sales and purchase price. Taken in conjunction with the par value, it is easy to see the tremendous premium that has been paid for these shares. The sales, par value, and actual selling value follows:

BANK—	Sales	Par	Price Paid
Commerce . .	673	67,300	133,500
Dominion. . .	384	38,400	75,648
Hamilton . . .	165	16,500	27,882
Imperial . . .	723	72,300	130,560
Hochelaga . .	171	19,100	25,754
Molsons	185	18,500	31,991
Montreal . . .	1002	100,200	238,504
Nationale . . .	32	3,200	3,200
Nova Scotia . .	348	34,800	88,577
Royal.	1295	129,500	248,559
Standard . . .	161	16,100	32,967
Toronto	239	23,900	43,981
Union.	256	25,600	35,400
	5684	563,400	$1,111,523

CURRENT OPINIONS

THE LAMP THAT FAILED

St. John Journal

"The Hydro Lamp" is the name of the official organ of Sir Adam Beck, used by him for propaganda purposes. It picks out the few good spots in his program but in keeping with the best public ownership practices refuses to throw any light into the dark corners of his scheme. Sir Adam spends money lavishly for propaganda purposes and the Lamp is but a tiny twinkling star in a whole galaxy of brilliant advertising—and expensive schemes.

His best and most expensive bet is his frequent gathering together of representatives of the different municipalities which have become enmeshed in his hydro schemes. The attendance at these functions frequently amounts to over 1,000 persons. It is a love feast, a good time, glorification for Sir Adam and an additional cost to the taxpayer of a few more thousands of dollars.

The Gregory Commission bids fair to put an end to this way of doing things and to present the facts to the people of Ontario in a different light from that obtained by the readers of the Lamp.

GOVERNMENTS AND BUSINESS

St. John Journal

The closing paragraph of an article written by Sir Joseph Flavelle for THE FINANCIAL POST on what Canada has accomplished and on the future outlook for the Dominion is well worth the consideration of Canadians. Sir Joseph says:—

"I hold the conviction that governments should confine their conduct and direction of business to the limits of departmental administration. Political machinery and traditions are not adapted to the conduct of business, and for the good of the country, governments should not undertake it."

The more Governments dabble in business which is legitimately in the province of private enterprise, the greater grows the number of men who come around to Sir Joseph Flavelle's way of thinking. The reliance placed upon what Governments can accomplish is pathetic. Many think Government ownership and operation the panacea for the ills of a nation until the Government does own and operate a commercial enterprise and then it is found that the last state is infinitely worse than the first. A business which is publicly owned and publicly operated generally becomes a home for those who are outdistanced in the race where individual initiative and private enterprise win, and invariably after an expensive experiment, that business is turned over to a private corporation, if that be possible, or else a manager who has been successful in private enterprises is called in and given the stern task of dragging it from the mire of political interference and inefficiency. Seldom is the latter course successful.

Italy tried government ownership and operation of railways and other utilities for seventeen years and it has remained for a Government, headed by a Premier who was formerly a Socialist but who has come to realize the evils of Socialism and all that smirks of Socialism, to break the bond which has smothered these utilities in debt.

Experiments seem necessary to satisfy the constant demand for a change but they are frightfully expensive.

Short Term Bonds!

To those who require the return of their capital within a short period, but who wish to invest it profitably in the interval, we can offer a selection of

High-grade Ontario Municipal Bonds due in from one to three years.

These bonds yield from 5% to 5.50%. A special list will gladly be furnished upon request.

Write or telephone for a copy.

Wood, Gundy & Company

Toronto
Winnipeg
London, Ont.

36 King Street West
Toronto
Telephone: Main 4280

Montreal
New York
London, Eng.

We Own and Offer

New Industrial Issues

$50,000 Anaconda Copper Mining Co.

1st Consolidated Mortgage, Series "A,"
Sinking Fund 6% Gold Bonds.
Due: 1st February, 1953.

PRICE: 96½ AND INTEREST IN N. Y. FUNDS YIELDING ABOUT **6.25%**

$50,000 Bethlehem Steel Corporation

Consolidated Mortgage, Series "B,"
Sinking Fund 5½% Gold Bonds.
Due: 1st February, 1953.

PRICE: 93 AND INTEREST IN N.Y. FUNDS YIELDING OVER **6.00%**

Both issues are payable principal and interest in New York funds.

United Financial Corporation
LIMITED
14 King Street East, Toronto
MONTREAL OTTAWA LONDON, ENG.

OTIS & CO.

Government, Municipal and Corporation Investment Securities

Members of the New York, Chicago, Boston, Cleveland and other leading Stock Exchanges

New York Boston Cleveland
Detroit Denver

McDougall & Cowans

Members of the Montreal Stock Exchange

130 St. James Street

STOCK BROKERS

HALIFAX ST. JOHN, N. B. QUEBEC
OTTAWA TORONTO WINNIPEG

MONTREAL

Direct Private Wire to all Branches and New York

OSLER, HAMMOND & NANTON
WINNIPEG

Stock Brokers and Financial Agents
Insurance Mortgage Loans
Real Estate

Geo. Beausoleil & Co.
INVESTMENT BANKERS
112 St. JAMES ST., MONTREAL.

ACME COAL & COKE CO., LIMITED

We have Pittsburgh No. 8 lump and slack coal, also a few cars of smokeless Mine-Run enroute, which we offer subject prior sale.

Wire for prices and car numbers. Adelaide 5562.
C.P.R. Building - Toronto

Continental Bond Corporation, Limited

Government, Municipal and Corporation Bonds—Telephone Adelaide 3176, 3177.
120 BAY STREET - - - TORONTO, CANADA.
Col. J. A. Currie, M.P.P., J. McVittie, Vice-President.
H. W. Currie, B.A., Sec. Treas.

We can offer attractive bonds to yield from 5½% to 8%. Particulars upon request.

FRED HAMILTON REAL ESTATE

City, Farm and Suburban Homes.

We can give you anything you require.

Sun Life Building Hamilton, Ontario

NEWS AND VIEWS ABOUT BONDS

MUNICIPALITIES BORROW AT LESS THAN 5½% RATE

St. Catharines and Greater Winnipeg Water Bonds Less That Figure

Banks have been large buyers of bonds recently for their surplus funds. Some of them have actually entered the field and bought issues direct from municipalities. The Imperial Bank this week bought a St. Catharines bond issue amounting to $480,000. The bonds bear 5½ per cent. interest maturing in 30 years serially and were purchased at 101.58, a basis of 5.34 per cent.

Tenders were received as follows:

Imperial Bank	101.58
Dominion Securities Corp.	101.19
A. Jarvis & Co.	101.17
Nesbitt, Thomson & Co.	100.57
Bell, Gouinlock & Co.	100.56
United Financial Corp.	100.54
Macneill, Graham & Co.	100.53
Murray & Co., and Aird, McLeod & Co.	100.527
R. C. Matthews & Co.	100.50
Gairdner, Clarke & Co. and McLeod, Young, Weir & Co.	100.45
National City Co. and Housser, Wood & Co.	100.415
Wood, Gundy & Co.	100.288
A. E. Ames & Co.	100.
Stewart, Scully & Co.	99.96

East Kildonan, Man., sold an issue of $46,000 of bonds guaranteed by the Province of Manitoba. The bonds bear 6 per cent. interest and mature in 20 years. The price paid by Wood, Gundy and Co., the purchasers, was 99.31, a cost basis of 6.07 per cent.

Tenders were:

Wood, Gundy & Co.	99.31
Imperial Bank	98.50
Bell, Gouinlock & Co.	98.50
Bond & Debenture Corp.	98.276
A. E. Ames & Co.	97.29

R. C. Matthews and Co. were the purchasers of a block of $120,000 of 5½ per cent. 30 instalment debentures of Wellington Consolidated School Section of Ontario. The price paid was 99.59 at which figure the school section pays 5.52 per cent. for its money. Tenders included:

R. C. Matthews & Co.	99.55
A. E. Ames & Co.	99.199
C. H. Burgess & Co.	98.66
McLeod, Young, Weir & Co.	96.23

Greater Winnipeg water district bonds to the amount of $2,000,000, paying 5 per cent. interest and maturing in 20 years have been purchased by Wood, Gundy & Co. at 95.54. The bonds are payable in Canada only and the price represents a cost basis of 5.35 per cent.

Tenders were:

Wood, Gundy & Co.	95.54
Strang & Snowden, A. E. Ames & Co., R. C. Matthews & Co., R. A. Daly & Co.	94.84
J. A. Thompson & Co., and Dominion Securities Corp.	94.813
Osler, Hammond & Nanton and National City Co.	94.657
Ed. Brown & Co., Aemilius Jarvis & Co. and McLeod, Young, Weir & Co.	94.27
Nesbitt, Thomson Co., Bell, Gouinlock & Co., Gairdner, Clarke & Co., and Hoerner Smith & Co.	93.55
Royal Securities Corp., Macneill Graham & Co., C. H. Burgess & Co., and Canadian Debentures Corp.	93.333

Neepawa's Finances In Excellent Shape

Neepawa, Manitoba,
January 17th, 1923.

The Editor,
FINANCIAL POST.

Dear Sir:

The article in the issue of THE FINANCIAL POST of December 29th, 1922, headed "Municipalities should be ready to give all Data," in which reference was made to the experiences of a certain bond house in endeavoring to secure information as to the financial standing of a certain Manitoba town called "Pawnee" has come to my notice.

The name would indicate that the town referred to was Neepawa. I happen to be the mayor for Neepawa for the year 1923 and our secretary informs me that often inquiries in the form of circular letters were received, and whether they were answered or not depended upon the amount of work in the office at the time, but always a copy of the financial statement for the year ending December 31st previous was forwarded. However, I can readily realize the necessity and importance of giving to purchasers of our bonds information relative to the financial position of the town, and wish to assure you that in future this will receive careful attention.

Neepawa has nothing to hide. Last year the real estate assessment was cut in half and the tax rate reduced nine mills. The town does not owe the bank or school board a dollar, and will not need to borrow until the end of March. All debenture indebtedness will be met when due (the school board has no debenture indebtedness) and against the town's debenture indebtedness of less than $300,000.00 (two-thirds of which does not mature until 1943) we have $58,000.00 in victory, provincial and other bonds in our sinking funds. The town is open to purchase a limited amount of its bonds any time if sufficient inducement is made.

Yours truly,
J. A. DAVIDSON.

$10,000,000 BONDS OF ST. MAURICE CO.

Syndicate of financial houses, headed by Aldred & Co., will make a public offering of $10 000 000 6½ per cent. bonds of the St. Maurice Power Co. Ltd., a subsidiary of the Shawinigan Water & Power Co., in the London, New York and Canadian markets. No further details of the issue have been made public, but it is understood that about one-half of the offering will be placed in New York and the balance divided between the London and Canadian markets. This is the first occasion in some time in which a Canadian concern has ventured into the British market, and it will be interesting to follow the fortunes of the portion destined for London, as its reception there may be an important factor in determining markets for other industrial and Government issues.

The St. Maurice Power Co. has been organized to carry out the development of a new water power for the Shawinigan Water & Power Co., at the Gres Falls and Gabelle Rapids on the St. Maurice River. The plans include the erection of a concrete dam 1,547 feet long, about 10 miles below Shawinigan Falls. A power house will be erected, and there will be installed four vertical type turbines and generators, each having a capacity of 30,000 horse-power. The company expects the work to be completed in 18 months. The leasehold of the Gabelle Rapids has been acquired from the St. Maurice Lumber Co.

BOND SALES REACH HIGH TOTAL IN MONTH

Borrowings of Canada in January Total Over $37,000,000 —Increase Over 1922

New Canadian bond financing in January totalled $37,890,162. Of this amount $26,353,000 was sold in the United States market and only $11,537,152 in Canada. In fact, until the very last week of the month but few issues were sold in Canada.

The record for the month was as follows:

JANUARY BOND SALES

Government	$ ....
Provincial	8,450,000
Municipal	15,903,842
Corporation	13,536,320
Railway	....
January Total	$37,890,162
WHERE SOLD	
In Canada	
Provincial	$1,650,000
Municipal	4,350,842
Corporation	5,536,320
Total in Canada	$11,537,162
In United States	
Provincial	$6,800,000
Municipal	11,553,000
Corporation	8,000,000
	$26,353,000
Comparative Figures	
January, 1923	$37,890,162
January, 1922	27,551,582
January, 1921	39,401,552

HYDRO BONDS TOTAL OVER $180,000,000

Could Municipalities Finance Further Enterprises Without Provincial Aid?

Investors are interested in present discussions regarding the future of the Hydro-Electric enterprises that have been entered into by Ontario province and Ontario municipalities. The province has outstanding bonds to the amount of $117,000,000 representing investments in Hydro-Electric enterprises. There are in addition about $42,000,000 of bonds of the Hydro-Electric Commission which have been guaranteed by the province and which are bought and sold by investors as provincial bonds. This makes the province's total investment about $160,000,000. This represents development plants and transmission systems.

Each of the municipalities in the system has issued bonds to pay for its own local distribution systems which buy the power of the provincial system and put it in local factories and homes. Hydro debentures to the amount of $22,000,000 are outstanding of the 215 towns in the system.

It is now stated by Sir Adam Beck that bonds of the Hydro-Electric Commission could be sold without the provincial guarantee. In other words he would divorce future Hydro-Electric expansion from provincial control and aid. If the St. Lawrence canal power development were gone ahead with by the Hydro-Electric Commission, this would involve many millions of additions to municipal liabilities. It is doubtful, bond men consider, if such a scheme of financing could be gone ahead with. The necessary piling up of municipal debts would be overwhelming, they state.

SWIFT CURRENT GIVEN FIVE YEARS TO REHABILITATE

At the End of That Time Final Arrangements Will be Made

Agreement reached by debenture holders of the city of Swift Current, Saskatchewan, with the city, which had defaulted in its bonds, differs somewhat from the Prince Albert agreement. It will be remembered that the agreement with the city of Prince Albert caused a furore of indignation to arise from the British financial press, who thought the terms unsatisfactory. In the case of Prince Albert, the city was required to pay only 1% interest on its indebtedness for 4 years, 2% for the subsequent 4 years and on an ascending scale over a further term of years. The Swift Current agreement is really a temporary one providing for a maximum rate of interest of 3% on the city's liabilities for five years, at the end of which time permanent arrangements will be entered into covering the funding of the city's accumulated principal and interest indebtedness at that time.

Will Be Made a Law

The Swift Current agreement will be incorporated in a Saskatchewan provincial legislation. Its principal terms are as follows:

The financial affairs of the city and school district will be subject to supervision by a board of five supervisors, of which two will be appointed by the debenture holders, one to be the local manager of the Canadian Bank of Commerce and two to be appointed by the city.

The estimates of the city are subject to approval by the supervisors, and this gives them control over rates, charges for services of public utilities and all disbursements.

The supervisors will appoint a representative with access to all the books of the city and will require that their representative, or other person whom they may appoint, sign all cheques issued by the city.

The supervisors may pay in each year until the 31st December, 1927, up to 3 per cent. interest on the liabilities of the city, and any unpaid balance is to be carried as a debt of the said city and school district.

Prior to the termination of the agreement, December, 1927, the supervisors will report to the debenture holders as to what in their opinion the said city and school district will be able to pay either as interest on or the principal of the accumulated indebtedness, and if such report is unanimous, the debenture holders will be bound by their decision.

The supervisors will, immediately upon final approval of this agreement by the debenture holders and the other parties thereto, assume their duties and shortly thereafter will be able to report to the debenture holders the position of the debtor authorities and will decide when payments on account of current and overdue interest can be made.

Arrangements will be made with the supervisors to issue a report as soon as possible advising debenture holders as to arrangements with respect to overdue coupons and payments thereon.

It will be noted that all estimates of the city must be finally approved by the committee of supervisors. As it will not be practicable to have the city's finances supervised from a distance, there will be a representative of the committee permanently at Swift Current. His word will be law in regard to any financial matters of the city. He must sign all cheques and approve all expenditures.

Changes of Personnel in Western Bond Firm

As a result of the departure of W. M. Smith to reside in Minneapolis, the bond business formerly carried on by Tubby, Smith & Company, of Winnipeg, will in future be conducted by Harold A. Tubby & Company. The directors are as follows: Harold A. Tubby, president; Philip C. Locke, vice-president; J. W. Thomson, treasurer; E. W. Johnston, secretary.

Philip C. Locke is a Winnipeg barrister and has had a considerable experience in the bond business, being at one time associated with W. A. Mackenzie & Company, of Toronto.

J. W. Thomson commenced his career with the Savings Bank of Edinburgh, and later with the Royal Trust Company covering a period of nine years, and at present holds the position of chief accountant with the Northwestern Trust Company.

BOND MOVEMENTS OF THE WEEK

Week Ending January 30.

BONDS—	Int. Rate	Due Year	Yield	Range High	1922 Low	Range 1923 High	Low	Ask	Bid	High	Low
Bell Telephone	5	1925	5.35	98	94	99	97¾	99½	98¾	99	98
Can. Bread	6	1941	6.22	99	88½	97½	96	97½	97	97½	—
Can. Cement	6	1929	5.95	100½	94	101	100	100	—	100¼	100
Can. Locomotive	6	1951	6.18	100¼	87	98	96½	98½	97⅝	97½	—
Cons. Rubber	6	1946	5.95	100¾	88	100⅝	100½	—	100⅝	100⅝	100½
Ced. Rapids	5	1953	5.83	97½	93	96½	95¼	—	96	96⅜	95¼
Dom. Iron	5	1929	6.10	94	82½	93¾	92¾	93¾	92½	93¾	93¼
Dom. Textile (B)	6	1925	6.00	101	97¼	100½	99½	—	99⅞	100	—
Lake of Woods	6	1923	6.00	100	99	100	100	100	—	100	—
Montreal Trams	5	1941	5.68	93½	87½	92	89¼	91¾	90	92	—
Ogilvie (B)	6	1932	5.65	102½	100	102½	102½	—	102¼	102½	—
Price	5	1940	5.78	90	85	91¼	89¼	—	91	91¼	90
Quebec Rly.	5	1939	7.77	87¼	63½	74	69	—	71½	74	72
Rio	5	1935	6.65	87¾	76	86½	85¾	86	85½	85¾	—
Sao Paulo	5	1929	7.08	91½	80	89½	88¾	89¼	88½	88¾	—
Span. River	6	1931	5.46	115	83½	103¾	103¾	103¾	—	103¾	—
Steel of Can.	6	1940	6.00	100¾	97	100½	99¼	101	100	100	—
Wayagamack	6	1951	7.52	88¾	71¾	83	82¼	81	—	82¼	—
Winnipeg Electric	5	1935	5.76	92	88¾	94½	93	—	91	93	—
War Loan	5	1925	4.96	96.30	9610	100.50	99.10	—	100.10	100.50	100.10
Do.	5	1931	4.96	99.90	96.25	100.60	99.80	—	100.30	100.60	100.35
Do.	5	1937	4.83	101.50	99.50	101.80	101.25	102.00	101.80	101.70	101.40
Victory Loan	5½	1923	4.72	100.70	98.75	100.95	100.40	101.00	100.75	100.77	100.55
Do.	5½	1924	5.08	100.75	98.00	101.40	100.25	101.00	100.80	100.90	100.60
Do.	5½	1927	4.93	102.70	99.75	102.75	101.75	102.70	102.30	102.65	102.35
Do.	5½	1933	4.85	104.35	101.25	106.70	104.40	105.60	105.50	105.60	105.30
Do.	5½	1934	5.17	101.45	98.80	103.00	101.30	103.00	102.75	103.00	102.60
Do.	5½	1937	4.84	106.25	103.00	107.15	106.50	107.10	107.00	107.10	106.90
Do., Ren.	5½	1927	4.98	101.10	99.40	102.60	101.00	102.50	—	102.00	—
Do., Ren.	5½	1932	5.19	101.10	99.70	102.60	101.00	102.70	102.40	102.60	102.00

Wm. Davies Co., Inc.
6% First Mortgage Bonds

Due 1st November, 1942
Price: 99 and interest,
Yielding 6.09%.

R. C. MATTHEWS & CO.
Limited
BOND DEALERS
C.P.R. Building :: Toronto

Victory Bonds
Bought
Sold
and
Quoted

W. L. McKINNON & Co
GOVERNMENT AND MUNICIPAL BONDS
McKinnon Bldg. TORONTO
Telephone Adel. 3870

McDonagh Somers & Co.

Government and
Municipal Bonds

Dominion Bank Bldg.
TORONTO
Canada

WE shall be pleased to quote you for the purchase or sale of Government and Municipal Bonds and high grade Corporation Securities.

R. A. DALY & Co.
BANK OF TORONTO BUILDING
TORONTO

MURRAY & COMPANY
Specializing in
Government, Municipal and Corporation Bonds

ADELAIDE 8293 - TORONTO

BURNETT, PORTEOUS & CO.
STOCK & BOND BROKERS.
MEMBERS MONTREAL STOCK EXCHANGE
17, ST. JOHN STREET, MONTREAL,
TELEPHONE MAIN 8385-6

LONG & DALY
BARRISTERS & SOLICITORS
E. G. LONG, K.C
R. O. DALY C. E. L. BABCOCK
H. E. MANNING R. G. MEECH
38 King Street West, Toronto

G. A. STIMSON & CO.
EST'D 1888 LIMITED
GOVERNMENT, MUNICIPAL, AND RAILWAY BONDS
36-38 KING ST. E. TORONTO

RENE-T. LECLERC
INCORPORATED
MONTREAL
160 St. James Street,
QUEBEC
74 St. Peter Street,
(Established 1901)

OSLER & HAMMOND
Stock Brokers and Financial Agents
Members
Toronto Stock Exchange
Montreal Stock Exchange
21 JORDAN STREET - TORONTO

JOHNSTON AND WARD
MEMBERS
Montreal Stock Exchange
Toronto Stock Exchange
Canada Trust Bldg., 14 King St. East
Halifax, N.S. Montreal Sydney, N.S.
Sherbrooke Kingston St. John's, Nfld.
Moncton Direct Wire Connections London

CIVIC AND PROVINCIAL FINANCE

UNIFORM PUBLIC RECORDS THROUGH BRITISH EMPIRE

Good Public Accounts Must be Based on Proper Books

In establishing uniform practices of public accounting through all Canadian provinces it will have to be borne in mind that accounts are merely records of annual financial operations. Sound, readable, informative public accounts must be based upon good bookkeeping and record systems and these start with the estimates drawn up in advance. The estimates form the basis for the bookkeeping system and the bookkeeping system is the foundation for the public accounts.

In the opinion of those who have given the matter thought it would be possible to instal the same system of bookkeeping in each of the Canadian provincial governments and in the Dominion government at Ottawa as well. Some authorities go further and suggest uniform public accounts throughout the British Empire. That colonial treasurers abroad are interested in better accounting procedure is evidenced from a letter of congratulation received recently by A. N. Mouat, comptroller general of British Columbia, from the colonial secretary of Ceylon, who says of British Columbia's financial reports: "I think that the form of your public accounts and estimates exhibits what the taxpayer has received for his money more clearly and accurately than any form of public accounts and estimates that I have previously seen. A study of these will be of great assistance to me in preparing for the approval of my government a revised form of estimates and public accounts for this crown colony."

Uniformity in public accounts is valuable in enabling investors and others to make comparisons between the condition of different governments. It is valuable too in setting up standards to work from. But uniformity is not the prime essential in public accounting. Rather, business-like accounts are needed first to show the tax-payers of a province how their money is obtained and how it is spent. Having obtained business-like accounts as an end it will be found that uniformity will follow. There is uniformity in the financial reports and statements of established industrial corporations though there is no co-operation between them except through the medium of chartered accountants in general. There will be uniformity in public accounts when provincial officials and chartered accountants work together to tell the whole truth in their governmental financial statements.

New Brunswick's Year Ended With Surplus

New Brunswick's surplus in 1922 was $70,577. Revenue aggregated $3,117,446 and expenditures were $3,036,869. The figures, however, do not include the interest on the bonds of the St. John and Quebec railway which put the province $260,088 behind and left an actual deficit of $189,511.

The financial statement of the province appears in a timely manner, being published in the Royal Gazette in accordance with legislation passed some time ago. The statement is independently audited.

Bonded debt is shown as $26,628,432, which includes $2,727,977 of debenture stocks of the St. John and Quebec railway.

In the presentation of New Brunswick's revenue and expenditure statement, Comptroller-General W. A. London has made a departure from ordinary slip-shod methods of presenting public accounts. Actual revenue and expense chargeable to the fiscal year's operations are shown rather than receipts and payments made during the year—a totally different thing. Thus all accounts receivable and accounts payable, interest accruals, etc., are included in the statement.

Further Loans to Build Houses Asked in 'Peg

From Our Own Correspondent

WINNIPEG.—The Housing Commission wants the city to lend an additional $600,000 for the further construction of houses this year. F. J. Dixon, leader of the Labor group in the Manitoba legislature, suggests a $1,000,000 loan from the province to extend the housing activities in the province.

On the other hand, some members of the commission are adverse to continuing municipal financing of home-building. The Winnipeg Free Press earlier intimated the possibilities of Winnipeg dissolving its Housing Commission, leaving the field of construction free for private enterprise.

The Winnipeg Housing Commission's report for 1922 issued during the passing week showed profits upon the year's operations of $12,000. During the year $66,000 in excess of required interest and principal was paid to the commission. At the close of the fiscal year, December 31, 1922, there were arrears of $1,327.

In three years Winnipeg Housing Commission has built 578 homes; 219 in 1922, 206 in 1921 and 153 in 1920. Speaking in the provincial legislature, F. J. Dixon said that 5,000 more homes are required in Winnipeg to comply with the health bylaws. The 219 loans granted by the commission during 1922 totalled $832,150 in respect of which the commission reports $797,786 was actually disbursed. During the year the commission borrowed money at an average cost of 6 per cent. and loaned it at an average of 7 per cent.

Tenders and By-Laws

TENDERS WANTED

Feb. 8, Montreal Catholic School Commission—$2,000,000, 5 or 5½%, redeemable in 20 years.

Feb. 19, Trail—$11,980, 6%, 20-year local improvement debentures. Wm. E. B. Monypenny, City Clerk. (See announcement elsewhere in this issue.)

Feb. 5, Oakville—$127,400, 5½%, 10, 20 and 30 year debentures. Percy A. Bath, Town Clerk.

Feb. 15, Quebec City—$1,800,000, 5%, 10, 15 and 30 year bonds. (See announcement elsewhere in this issue.)

Feb. 26, Regina—$12,000, 6%, 10-year school debentures. J. H. Cunningham, Secretary.

Feb. 9, Ford City—$306,572, 5½% & 6%, 10, 15 and 20-year debentures. J. F. Foster, Treasurer. (See announcement elsewhere in this issue.)

Feb. 7, Oshawa—$234,420, 5½%, 15, 20 and 30 year debentures. P. A. Blackburn, Town Treasurer. (See announcements elsewhere in this issue).

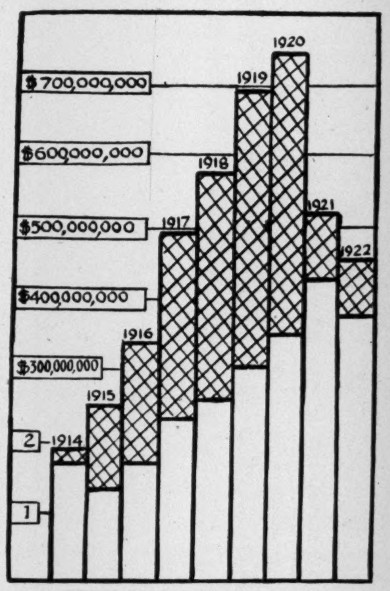
Feb. 19, St. Lambert—$350,000, 5½%, 30-year bonds. James R. Beatty, Sec.-Treas. (See announcement elsewhere in this issue.)

CANADA HAS NOT YET BALANCED ITS NATIONAL BUDGET

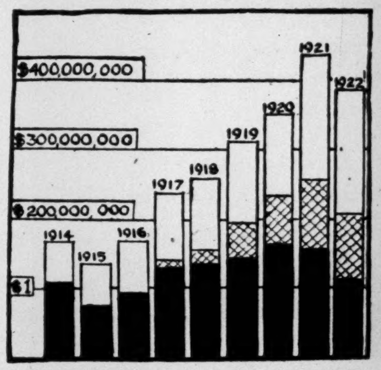
Yearly Spends More Than Income Despite Apparent "Surplus"

Canada has not yet begun to balance its budget. We spend each year more than our ordinary revenue in taxes. The amount of this excess spending is fortunately on the decline. We are nearing the point where income and outgo will be equal or approximately so. But four years after the war we have not progressed actually to that happy condition.

The nation shows a surplus on operating account each year. Ordinary revenue exceeds ordinary expenditure. "Ordinary" revenue includes customs receipts, excise taxes, all the war taxes including income tax and also post office revenue which, of course, is about offset by post office expenditures. There are also some items of miscellaneous revenues. Out of this ordinary revenue are made many ordinary expenditures—interest on the debt, public works, pensions, soldiers' civil re-establishment, etc. These expenditures are less than the ordinary revenue. But still we go behind. There is the rut. It is because we are making capital expenditures and "advancing" money to railways. We have had to meet these extraordinary expenditures by borrowing. The national debt has, in consequence, grown. Until the total expenditures of the government are less than the revenues the debt will grow. And there is no likelihood of effecting a reduction in the debt until expenditures are greatly reduced.



WHY OUR DEBT GROWS
Total expenditures of the Dominion government contrasted with ordinary revenues. The vertical columns represent expenditures on all accounts. The white portions the ordinary revenue. The shaded areas represent the amount we have gone behind each year—the expenditures that are to be met by borrowing.



WHERE REVENUE COMES FROM
Customs revenues, shown in black, occupy a relatively less important part in our national revenues than a few years ago when they were more than half the total revenue. Now they are less than a third. Income and business taxes, shown in the shaded area have grown in importance, the chart shows. The vertical columns indicate total ordinary revenues.

DIVIDEND PAYMENTS

Company	Date	Rate	Record
Brazilian, com.	Mar. 1	1	Jan.31
Sterling Bank	Feb.15	2	Jan.15
Prod. & Refin., com.	Mar.15	1	Mar.1
Do.	Feb. 5	1¾	Jan.23
Kaministiquia	Feb.15	2	Jan.31
Can. Converters	Feb.15	1¾	Jan.31
Bk. of Commerce	Mar. 1	3	Feb.13
Bk. of Montreal	Mar. 1	3	Jan.31
Ont. Steel	Feb.15	1¾	Jan.31
Union Bank	Mar. 1	2½	Feb.13
Bk. of Toronto	Mar. 1	2½	Feb.10
Can. Cement, pfd.	Feb.16	1¾	Jan.16
Royal Bank	Mar. 1	3	Feb.15
Detroit Rly.	Mar. 1	1½	Feb. 1
Bk. of Hamilton	Mar. 1	3	Feb.14
Bk. of Hochelaga	Mar. 1	2½	Feb.15
Home Bank	Mar. 1	1¾	Feb.14
Montreal Pr. Cons.	Feb.15	1½	Jan.31
Montreal Pr.	Feb.15	2	Jan.31
Cedar Rapids	Feb.15	¾	Jan.31
Can. Con. Cot., pfd.	Feb.10	2	Jan.26
Do.	Apr. 2	2	Mar.15

HOUSSER WOOD & COMPANY

WE wish to draw your attention to an offering of 8% Cumulative Class "A" Preferred Shares of the Dominion Stores, Limited, appearing on another page of the paper.

This issue carries our highest recommendation.

We would be glad to mail a special circular we have prepared, along with any desired information upon request.

HOUSSER WOOD & COMPANY
INVESTMENT BANKERS
10-12 King Street East, Toronto.

We Own and Offer
8% Convertible Debentures
MOUNT ROYAL HOTEL
Company, Limited
Price on Application.
Denominations
$100, $500, $1000
PRICE: Par and Accrued Interest to yield 8%, with a bonus of 30% Common Stock.
Full particulars on request
CREDIT-CANADA
LIMITEE
145 St. James St.. Montreal
Main 4735-6

FOUNDED HB 1885
Windsor Hotel
LIMITED
6½% Twenty Year First Mortgage Bonds
Dated Jan. 1, 1923 Due Jan. 1, 1943,
A first mortgage on improved City Real Estate assets of more than two to one with earnings to Bond interest in proportion of more than three to one.
We recommend these Bonds as an attractive investment returning a good yield.
Price 100 and interest yielding 6.50 per cent.
Write for Circular.
HANSON BROS.
Investment Securities
160 St. James St. Montreal
63 Sparks St. Ottawa

7% With Safety
Bonds of old-established industrial organizations, producing every-day necessities, are eagerly sought by shrewd investors.
McARTHUR, IRWIN, LIMITED, Montreal, Paint and Color Manufacturers, established in 1842, to-day has net assets more than three and one-half times the authorized issue of bonds. Its earnings for the past five years have averaged over four times the interest charges.
Ask us to-day about these bonds.
Sterling Bond Corporation
Limited.
136 St. James Street, Montreal
Telephone Main 2404.

B. C. ELECTRIC REPORT

Net revenue of British Columbia Electric Railway Company for year to June 30, 1922, after providing for depression sinking fund and renewals, £152,353 and for corporation tax £30,000, was £409,234, plus £24,000 brought in, making £433,233, less interest on debentures and debenture stock, £132,123. Directors recommend final dividend on preferred ordinary stock at rate of 18s 8d per cent. per annum, making £4 13s 8d per cent. free of tax; final dividend on deferred ordinary stock at rate of £2 9s 8d per cent. per annum, making £6 4s 8d per cent., free of tax, carrying forward £26,271. A further agreement has been entered into with the city of Vancouver, which confers upon the company the right to continue charging 6 cent fare for three years, and provides that at the expiration of that period the question of fares may be submitted to arbitration.

NEW ISSUE

$250,000
To be Issued

Dominion Stores, Limited
8% Cumulative Class "A" Preferred Shares
Par Value, $100

CAPITALIZATION

	Authorized	Outstanding
8% Class "A" Preferred	$1,000,000	$279,500
7% Class "B" Preferred	250,000	250,000
Common Stock (no par value) Shares	25,000	25,000

Company has no Bonded Debt

Preferred as to Assets and Dividends. Redeemable as a whole or in part, at $115 per share, and accrued dividends.
Transfer Agent and Registrar: The Trusts and Guarantee Company, Limited, Toronto.
Dividends payable semi-annually on January 1st and July 1st, at par, either in Canadian Funds, or to United States holders in New York Funds.

Price: $100 per share, carrying bonus of 25% Common

Dividends accrue from date of registration.
Fractional shares of Common Stock adjusted at $25 per share.

THE COMPANY

Dominion Stores Limited, which is the largest retailer of groceries in Canada, was established in the latter part of 1919, with headquarters at Toronto. It is the only large grocery chain store system operating in Canada, and at the present time embraces a chain of 190 stores—62 of which are located in the City of Toronto, 19 in Hamilton, 9 in London, and the remaining stores being located in seventy-five other municipalities within the Province of Ontario. Each store unit handles a complete line of groceries including the better known standard brands as well as hams, bacon and nearly all of the dairy products.

SECURITY

The Class "A" 8% Cumulative Preferred Stock is the first security of the company, being preferred both as to assets and dividends. It ranks ahead of the $250,000 Class "B" Preferred Stock, which stock was subscribed and paid for at $100 a share by the Directors and Officers of the Company.

Net Assets securing the Class "A" Preferred Stock, exclusive of goodwill, and before giving effect to this financing, amount to $605,534.81, representing over $200 per share, on stock outstanding.

GROWTH AND EARNINGS

1920—62 Stores. 1921—122 Stores. 1922—190 Stores.

INCOME ACCOUNT FOR YEARS ENDED DECEMBER 31ST

	12 months to Dec. 31st, 1922	1921	1920
Gross Sales	$5,059,508.83	$3,461,153.30	$2,401,631.48
Gross Profit	$ 966,969.62	$ 594,663.64	$ 382,062.25
Operating Expense	866,877.51	536,418.41	347,383.13
Net Profit	$ 100,092.11	$ 58,245.23	$ 34,679.12

The above figures have been certified by Messrs. Thorne, Mulholland, Howson & McPherson.

The above earnings show Preferred Dividend requirements earned over four times, and should be greatly increased through the opening of additional stores. *Dividends have been paid regularly* on both classes of Preferred Shares since **the inception of the Company.** The Common Shares are now paying a dividend of $1 a year.

MANAGEMENT

The management of the company is in experienced and capable hands, Mr. W. J. Pentland, Vice-President and General Manager, having had eight years' experience with the Great Atlantic and Pacific Tea Company, the largest chain stores organization in the United States, which operate over 7,000 grocery stores, and whose sales for the year ending February 28th, 1922, amounted to over $300,000,000. Mr. Pentland was General Superintendent of the Eastern division of this chain, having under his supervision about 900 stores.

PURPOSE OF ISSUE

It is the intention of the company to open new stores in desirable locations in Ontario and other parts of Canada, and the proceeds of the stock now being sold will be used for the extension of the business exclusively.

It is the intention of the company to make application for the listing of both the Preferred and Common Shares on the Toronto Stock Exchange.

Housser, Wood & Company
Investment Bankers
12-14 King Street, East, Toronto

Brouse, Mitchell & Company
Members Toronto Stock Exchange
75 Bay Street, Toronto

Bankers' Bond Company, Limited
60 King Street, West, Toronto

Orders may be telegraphed or telephoned at our expense.

The Statements contained in this announcement are not guaranteed, but are based on information we believe to be reliable.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to	Rate	Term	Amount	Price	Basis
Jan. 29	Greater Winnipeg Water	Wood, Gundy & Co.	5 %	20 yrs.	$2,000,000	95.54	5.35
Jan. 31	East Kildonan, Man.	Wood, Gundy & Co.	6 %	20 yrs.	46,000	99.31	6.07
Jan. 30	Wellington, Ont.	R. C. Matthews & Co.	5½%	30 in.	120,000	99.55	5.52
Jan. 30	St. Catharines, Ont.	Dominion Securities Corp.	5½%	30 in.	480,000	101.58	5.34
Jan. 26	Kenora, Ont.	Imperial Bank	6½%	30¼ av.	41,217	101.25	6.40
Jan. 2	Pembroke, Ont.	Dyment, Anderson & Co.	6 %	10½ av.	60.000	99.	6.12
Jan. 25	Drummondville, P.Q.	Municipal Debentures Corp.	5½%	30 yrs.	30,000	95.92	5.79
Jan. 26	Eastview, Ont.	Bell, Gouinlock & Co.	5½%	20 in.	90,000	97.50	5.81
Jan. 24	Shawinigan Falls, P.Q.	L. G. Beaubien & Co.	5½%	14 yrs.	28,300	97.11	5.80
					15,200		
Jan. 24	Alberta School Districts	Various					
Jan. 24	St. Boniface, Man.	Bond & Debenture Corp.	6 %	20 yrs.	200,000	100.	6.00
Jan. 24	Grimsby, Ont.	C. H. Burgess & Co.	6 %	15 in.	45,000	101.	

BRITISH COLONIAL
FIRE INSURANCE COMPANY
MONTREAL
Canadian—Strong—Progressive
General Fire Insurance Business Transacted
Theodore Meunier, Manager

The Leading Life Company of the Dominion

Assurance in Force - $550,000,000
Assets - - - $130,000,000

Sun Life Assurance Company of Canada
Head Office - - Montreal

LIFE INSURANCE FOR MEN OF AFFAIRS

Estates of any considerable value are subject to heavy death duties: Life insurance is the simplest method of providing for their payment. Have you set aside a policy to meet succession dues?

Business partners whose experience is vital to the organization require mutual life insurance protection. A heavy expense would be involved in replacing the ability of a deceased partner. Has your firm considered this?

Endowment policies can be secured to provide funds for meeting an obligation such as a mortgage loan, to mature at the end of a certain period. The premiums provide the necessary "sinking fund." Had you thought of this?

Policies can be secured that will pay monthly allowances to faithful employees whom you wish to remember and who you desire may remember you. Modern insurance is adaptable to every need.

Insurance sold on all approved plans at net cost.
The Mutual Life Assurance Company of Canada. Waterloo, Ont.

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$78,000,000.00
POLICIES ISSUED FROM $500 TO $5000

G. E. BAILEY, Secretary
W. H. HUNTER, President
G. R. COTTRELLE, Treasurer

YOU REAP WHAT YOU SOW

This saying is as true of money as of anything else. For example: $10 sown each month in a Canada Permanent Savings Account, and watered each half year with compound interest, will produce a harvest of $1,486.57 at the end of ten years.

Why not commence sowing the seed to-day by opening an account? This institution has been doing business in Toronto for more than sixty-seven years and has safe-guarded and helped to increase the savings of many thousands of people, whose confidence it has had for this long period.

Canada Permanent Mortgage Corporation
14-18 TORONTO STREET, TORONTO
Paid-up Capital $7,000,000. Reserve Fund, (earned), $7,000,000
Investments Exceed $40,000,000

When selecting a Trust Company as an Executor choose one whose fixed policy is to give
FINANCIAL ASSISTANCE
to Estates being administered by it
PAID UP CAPITAL AND RESERVE $1,212,725
The Imperial Canadian Trust Co.
EXECUTOR, ADMINISTRATOR, ASSIGNEE, TRUSTEE, ETC.
HEAD OFFICE, WINNIPEG
BRANCHES: SASKATOON, REGINA, EDMONTON, CALGARY
VANCOUVER AND VICTORIA

Shrewd Financiers

recognize the value of Life Insurance as a protection for their Investments and Business Interests.

The Dominion Life

a well-established, strong, progressive Canadian Company issues policies to meet every need.

Head Office
WATERLOO, ONTARIO

that Home of yours
An Imperial Endowment will pay off the mortgage whether you live or die.
The IMPERIAL LIFE ASSURANCE CO. OF CANADA
HEAD OFFICE TORONTO

INSURANCE FOR BUYER AND SELLER

RAIN INSURANCE QUITE POPULAR IN THE DOMINION

Twelve Companies Now Writing This Form of Property Cover

By SAMUEL McADAM

That rain insurance as a method of property cover is satisfying a public need is evidenced by the fact that in 1920 there were two companies writing it, in 1921, three and in 1922, twelve. This form of cover deals with one of the unpreventable hazards like windstorm, and where, to a certain extent, the moral hazard feature is non-existent. The experience in this business is too brief as yet to have enabled the underwriters to work out a practical rating manual, and, at the present time, conservatism is the rule with all companies. Their big field to date has been the professional baseball leagues, but it is rapidly spreading to fall fairs, exhibitions, horse shows, and many outdoor affairs of an educational and amusement nature; but it will not be long before it reaches into the agricultural industry, merchants dealing in perishable commodities whose sale is apt to be affected by inclement weather. This, however, will be a slow growth, as it will take very careful handling.

I am sorry that hail insurance is not a factor in the Province of Ontario, as it is in the West, as the company I have the honor to represent in Toronto, was within comparatively recent times, the only company writing this class, whereas now fully ninety companies are writing the line, it being mainly confined to Western Canada, and the Western States.

Commissions Insurance

In industrial and mercantile provinces like Ontario and Quebec, we have a class of business men known as manufacturers' agents; also the official representatives of foreign firms; also many travelers; either individually or organized together, for the purposes of selling certain firms' goods. These men in many cases operate purely on a commission basis, and it has been found by experience that at times they have suffered heavy losses when the manufacturer or firm whose goods they were selling and had sold, with all their traveling and selling expenses incurred, had had a fire loss at his plant, which prevented the completion and delivery of the goods already contracted for. As is usually the case, most manufacturers have in all their agreements, a clause relieving them of liability in the event of strikes, riots, lockouts, or acts of God, and are, therefore, as we presume they carry their own insurance, free from loss, but the agent, as above described, when acting for himself as a free agent, is not so fortunate, unless he carries insurance on his commissions, which includes his regular selling expenses.

This form of cover is usually written in specific amounts; a specific amount being named for commission earned on the goods for each house he sells for; is usually based on his previous year's experience when possible; and the rate taken should be the co-insurance contents rate of the particular firm affected, and it is needless to add that this form of cover is usually written subject to full average.

Parcel Post

The demand for this form of insurance has grown within the last few years, and some companies' experience has been most unfortunate. This has been chiefly due to the larger accounts like the great mail order houses in both Canada and the United States, where the rates, through competition, have been forced too low, with a multitude of losses. On these large accounts, the detail work is endless, and this, to a certain extent, accounts for the heavy loss ratio, as in some cases, no effective way of checking back goods subsequently found and restored, and on which the company has possibly paid a claim, has yet been worked out.

The accounts of the smaller manufacturers, merchants and dealers, have been fairly profitable. The rates at the present time for ordinary unregistered parcel post are: 5c up to the first $25.00; 10c up to the first $50.00; 25c up to the first $100.00.

The policy covers a wide area of insurance against fire, theft and breakage; in other words guarantees the safe arrival of the property contained in each package at the destination named. It does not insure money, securities, etc., merchandise sent on approval, packages bearing descriptive labels, or the risks of war, riot, strike, etc.; the maximum liability being limited to $100.00 on any one package. The coupon system is usually preferred, as the consignee then on receipt of the coupon with his invoice, appreciates the fact that this care has been taken. It is much the easier method for the shipper, as his coupon book shows a complete record for each shipment, and its insurance.

This form of cover is also written under the open policy and reporting system, whereby a deposit premium is collected, and a premium charged monthly on the total volume of shipments, as per a duplicate reporting form supplied by the company; this premium being deducted from the deposit. This form is handy for large users, but has the disadvantage that it contains no evidence to the consignee of the insurance, particularly where in some cases the cost of the insurance may be charged to the consignee.

One of the reasons for the popularity of this class of insurance in recent years, has been the growth of small shipments due to the lack of large orders by wholesalers and manufacturers, who, in shipping out small orders, find it much more economical to use the parcel post with the parcel post insurance protection, than the express or freight, which in recent years have increased their tariffs considerably.

Insuring Executives a Coming Feature of Corporation Finance

It is Already Being Adopted in the United States in an Extensive Way—A Factor in Creating Confidence on Part of Investor

By RANDOLPH S. MORTLEY.

In the prospectuses of newly-organized companies, especially in the U. S., it is becoming a custom to publicly announce that life insurance has been placed on the lives of their chief executives or other important officers. Recently three large companies in Minneapolis have thus recognized the great insurance value of the lives of their executives by taking out policies for from $50,000 up to $65,000—stating the fact similar to the following:

"Corporation Life Insurance on the life of C. M. Way, president, to the amount of $50,000, is to be maintained during the life of the bonds and payable to the trustee, the entire proceeds being used to redeem the bonds."

The very fact that business insurance is carried, when known, establishes, strengthens and protects the credit of an organization. Many readers will remember the time during the great war when money could not be borrowed at any price; also that a Canadian business firm, whose endowment policy for $100,000 with a Toronto life insurance company matured about the same time, was helped out by the prompt payment of this snug sum. In the presence of such a stringency, when the banks are unable to extend existing credit, the scale of securities or other assets could not be made except at great sacrifice. Suppose a company at any time needs $100,000 to enlarge their plant and extend operations; assuming that they are able to borrow it, they expect to repay the money from earnings during, say, the next twenty years. Although it is a sound, profitable enterprise, while guided by the able chief executive, there is a possibility of its failure if deprived of his support. Because of this uncertainty, investors will hesitate, but a twenty-year endowment insurance policy for $100,000, guaranteed to pay this amount at the end of twenty years, if he lives, or at his death on any previous date. By assigning this policy as security for the bond issue, full provision is made for the retirement of the bonds, whether he survives the life of his policy or dies previously.

"Business Insurance" provides a thoroughly reliable safeguard against the utter loss of such human assets as the leading executive, official expert, or valuable employee of an established organization, relying upon the knowledge, judgment and influence of these leaders for their continued success and prosperity.

Death often comes prematurely, and like a thief in the night, depriving the strongest organizations of their leaders or most valuable employees, creating the most serious and embarassing business problems, the solution of which is found alone in "Business Insurance." It is not sufficient that a business enterprise be honest and progressive in order to secure credit at the bank; the banker may have the utmost confidence in its present status, but knows that the removal of its chief executive will deprive the business of its king-pin, that is indispensable to its continuous success. Nothing will safeguard or protect your credit at the bank like ready cash; no substitute will so adequately protect the business man's estate and thereby his family or dependants. Because it combines the unquestioned advantages of emergency protection and a savings bank, the shrewdest business men of the age have failed to find a better investment—and so sound and reliable; hence bankers in Canada and the United States place life insurance questions in their credit application blanks, and strongly commend it to all credit-seeking customers—whether "one-man corporations" or young business men or farmers struggling to maintain their stocks and compete for patronage on too small capital.

A business is often but the shadow of a great man, or a few men. The death or removal of any such important persons is a most serious matter, involving problems for the surviving members which nothing can perhaps solve so easily, with as small a sacrifice and inconvenience as "Business Insurance." It is simply a matter of good judgment therefore for any company or firm to insure their greatest, most valuable assets—themselves, instead of confining such investments merely to plants, furniture, etc., which if burned up or otherwise destroyed, can be replaced. That commercially-built fortunes are and ever will be evanescent, is being more and more widely recognized by thinking business-builders to-day.

PREMIUMS DECLINED; LOSSES WENT HIGH

Estimated Fire Total in Canada $44,000,000 for Past Year

It is estimated that the fire loss in Canada last year will reach the huge total of $44,000,000 when the final figures are compiled, the two features being the destruction of Haileybury and several northern sections and also that of so many Roman Catholic institutions, in many of which incendiarism is suspected. The loss in 1921 was $30,000,000 and in 1920 $27,000,000. The above estimate is made by C. S. Wainwright of the Western Assurance Co. Fire premiums are reported to total 5% less than when they reached $50,839,391, as compared with $54,764,281 in 1920. While Supt. Finlayson of the Insurance Department, Ottawa, estimated that the loss ratio would be 70% of the premiums, there are those who put this figure at 75%.

From 35 to 40 various Catholic churches have been destroyed every 4 or 5 years with usually heavy losses. The insurance generally carried does not run over 50% of the value, so that even a partial loss would be a total one for the company. Defective or antiquated heating systems and electric wiring has frequently caused such fires, but of late rumors of incendiarism have spread and Mr. Wainwright says, "They would seem in some instances to have been founded on fact, because in these cases threatening notes have been received."

Insurance men are optimistic for this year. However, the great building program of 1922 when over 211 million dollars worth of contracts were placed as compared with 177 in 1921, makes the outlook for new business promising.

MONARCH LIFE'S PROGRESS

The Monarch Life report shows that 1922 was marked by expansion in all departments. Assurances now total $32,431,349 an increase of over three million. Assets increased from $2,411,128 to $3,000,373 while policy reserves are $2,674,752. Premium and interest income was $1,011,357 and the net surplus and investment reserve totals $179,020. Investment earnings were 7.88 per cent.

Dominion Life Near 60 Million Mark

Insurances in force by the Dominion Life at the end of 1922 fell just short of $60,000,000, the company having added $13,804,742 during the year. Payments to policy holders during the year totalled $617,132 while shareholders' dividends totalled $25,600. The premium income was $2,043,108 less reinsurance costs $162,883, interest, etc., $453,968, profit on sale of realty and securities $53,499, or a total income of $2,387,693 an excess over liabilities of $1,083,693. The average interest earning on investments was 7.07, while the mortality experience was favorable being 47 per cent. of the expected. The assets of the company total $8,223,588. The surplus, including allotted to deferred policies, shareholders' surplus, capital stock paid and balance $1,049,060.

Confederation Life's Surplus Up Million

Good progress is recorded by the annual report of the Confederation Life, which during 1922 accepted 10,244 applications for $25,060,932 insurance, bringing the total insurance in force up to $154,812,769. The company has now a surplus of $3,377,286 having added a little over a million in earned surplus in the year. Death claims in 1922 were $1,150,088 an increase of $194,160 over 1921 the death ratio being 52 per cent. of the expected. Net revenue from premiums was $5.677,880 and interest, rents, etc., $1,817,416. The assets now total $33,530,537 increased by $3,091,099 in the year while payments to policy holders in all totalled $2,919,473. During the year the company disposed of short term bonds of low interest yield for higher rate securities. Interest earned on investments was 6.19 per cent.

GRANBY PROTECTIVE ASSN.

The annual statement of the Protective Association of Granby, Que., for 1922 operations shows premium earns $252.093, with accident and sickness claims totalling $140.803. There is a balance on hand of $34,236 while the reserve for unearned premiums, $71,025, is 100 per cent. of the total.

The Western Empire
LIFE ASSURANCE COMPANY
Head Office; 701 Somerset Bldg., Winnipeg, Man.

Men of proven ability would do well to write for particulars of the Agency Contract the Company is prepared to offer. Several District Managers required to cover exclusive good territory at a number of Western points.

Branch Offices;
Saskatoon Calgary Vancouver
WILLIAM SMITH,
Managing Director.

British America Assurance Co.
Fire, Marine and Automobile Insurance
HEAD OFFICE - TORONTO
BOARD OF DIRECTORS: W. R. Meikle, President and General Manager; Wilfred M. Cox, Vice-President; Sir John Aird, Robt Bickerdike, (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton, (New York), D. B. Hanna, Miller Lash, Geo. A. Morrow, Major Gen'l. Sir Henry Pellatt, C.V.O., E. R. Wood.
Losses Paid Since Organization, over $52,000,000.00

Western Assurance Company
Fire, Marine, Automobile, Explosion, Riots, Civil Commotions and Strikes Insurance.
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Losses Paid Since Organization
$84,000,000.00
BOARD OF DIRECTORS: W. B. Meikle, President, Wilfrid M. Cox, Vice-President, Sir John Aird, Robert Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper, (London, Eng.) H. C. Cox, John H. Fulton (New York), D. B. Hanna, Miller Lash, Geo. A. Morrow, Major-Gen'l. Sir Henry Pellatt, C.V.O., E. R. Wood.

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.
TOTAL ASSETS $2,792,662.00
TORONTO, 24 Adelaide St. W.
W. H. George, Superintendent of Agencies

Black & Armstrong
WINNIPEG

Western Branch Managers for
North American Accident Ins. Co.
Casualty Insurance
Imperial Assurance Company
Hail — Fire — Automobile
Century Insurance Co., Ltd.
Fire
Great American Insurance Co., New York
Inland Marine — Fire — Auto

Canadian Guarantee Managers for
The Excess Insurance Co. Ltd
London — England
Guarantee Bonds Hail Insurance

Income of Excelsior Life High in 1922

The Excelsior Life concluded 1922 with $48,412,252 insurance in force having added $9,753,844 during the year. The premium income of the company was $1,491,095 while the total income reached the total of $1,964,132, an increase of $207,665 over 1921. This was the largest increase in the company's history.

Policy holder distributions reached a total of $594,172 while for the protection of policy holders $1,488,859 was set aside. Claims during the year were 46.9 of the expected, as against 48 per cent. in 1921 and 57.7 in 1920.

Policy holders are secured by assets of $8,374,758 an increase of $985,431. Interest earnings of the company during the year averaged 7½ per cent., a slight increase over 1921. The unallotted surplus moved up from $202,288 to the record figure of $953,947.

Toronto Casualty Had Excellent First Year

Business totalling $11,046,126 was written in 1922 by the Toronto Casualty and Marine Insurance Co. in its second report, it having been in business a little over 14 months, starting operations in October, 1921. The net premium income, reinsurance cost deducted was $131.294 while interest earnings added $3,139, exchange $324, profits on securities sold $4,359; premium on capital stock, $49,887 or a total income of $189,002 which added to the balance forward left $261,614 available for distribution. Claims and expense reduced this total to a surplus of $152.124. The balance sheet shows total assets $202,551 which with liabilities deducted leaves a net surplus on policyholders' account of $125,929.

POLITICS MAR BANKRUPTCY ACT, OTTAWA IS TOLD

Over 500 Inspectors Enforcing Measure; Dozen Nearer the Needs

CHANGES URGED

Manufacturers and Merchants Present Many Requests for Changes—Bring in Line With British Act

There are 552 inspectors in bankruptcy in Canada; a dozen would be enough. Most appointments were made on political grounds rather than on grounds of fitness. This has marred a good Act; interfered with its administration and resulted in considerable abuse and in some cases questionable practice. These are the main contentions of the Canadian Manufacturers' Association, the wholesalers' associations, and Retail Merchants' Association, in advocating many changes in the present Act to the government, the main one being that a supervisor of inspectors be appointed and that there be a wholesale cutting down in the number of inspectors.

The keenness of the search for bankrupts has evidently become acute among inspectors in some sections as reports have been made of cases where inspectors were said to have made business to business and farmer to farmer canvasses advising the getting rid of debts by making an assignment. Incidentally this would make fees for the inspector.

This is the main change in the Bankruptcy Act advocated before the Federal Cabinet by a representative body of business interests. Other changes are many but practically all minor. In most of the latter cases the aim is to bring the Act more in line with the British act. The chief goal aimed at is a step in the direction of uniformity of commercial law for the whole of the Dominion. This has long been advocated by the Canadian Bar and Canadian manufacturers. The Federal Bankruptcy Act is the first step in this direction.

A questionnaire is to be sent out asking opinions as to the proposal which comes from Quebec that the amended measure be made to include a clause of the civil code of that province regarding the revendication of goods sold to a debtor within 30 days of assignment. The view is held in some quarters that such a proposal would meet with strenuous objection generally in Western Canada.

Shall farmers be included under the Act? This is another point upon which opinion is far from settled. It was suggested that the Act be amended to exclude farmers, wage earners and professional men but Secretary Trowern of the Retail Merchants' Association, took objection from the standpoint of the retailer. A questionnaire will be sent to the retail merchants on this point.

Limit Discharge Powers

Another important point raised was one suggesting that the Bankruptcy courts be relieved of the discretionary powers permitting the discharge of a debtor. The opinion is expressed in some sections, that to do so, would be deleting from the Act one of its primary functions. G. T. Clarkson has come forward with the suggestion that this clause be amended to provide that if a debtor pays 50c or more on the dollar, his discharge be left within the discretion of the court, but should he pay less than 50c on the dollar, the courts should not be permitted to have within their discretion the discharge of the debtor without the consent of the creditors to the extent of 60 per cent. in number and 75 per cent. in amount. The opinion has been voiced that where a debtor is unable to pay up to 50c on the dollar there should be a complete investigation with a view to learning if sharp practices have been indulged in.

Another objectionable feature to the present Act is one which declares a debtor bankrupt or subject to bankruptcy, "if he ceases to meet his liabilities as they become due." In cases of neglect or inability to pay debts, this section has resulted in the applications for the appointment of interim receivers by creditors seeking collection of their debts. Perhaps its worst feature has been that it has prevented bankers from assisting deserving debtors, where they have been willing to do so, but were afraid that with the mere non-payment of certain of his liabilities, the debtor had become a bankrupt leaving the bank in a position where it could not advance with any certainty of being able to recover the same. The opinion was advanced to Ottawa that such provisions are not in the best interest of creditors, particularly as they prejudice the ability of the deserving debtor to continue in business. The suggested amendment would make the Act read, "if in the opinion of the court he fails to meet his liabilities as they become due." In other words it rests with the court as to whether the mere non-payment of one or two bills would mean failure on the part of a debtor to meet his liabilities.

That the business men of the Dominion want no measure which will allow a debtor guilty of offences against the Act escape, even if to do so would enable them to recover their funds which are in jeopardy. This was shown by a suggested amendment to a clause of the present measure which stipulates that a discharge shall be refused a debtor if he shall commit any of the offences outlined in the Act, "unless for special reasons the court otherwise determines." The quoted words are the objectionable ones. Occasions have arisen where the court has approved of a proposal to allow a discharge in order to allow money return to creditors which they could not obtain without a discharge being given to the debtor. It is felt that this condition should not exist and that if a debtor commits offences against the Act that he should not be allowed to obtain discharge by compromising his offences by a money payment. The amendment proposal would leave the judge without option but to refuse discharge where offences have been committed.

Negligence Makes Trouble for Beneficiaries of Many Policies

Different Provincial Laws Bring Up Question of Which Act Applies When Insured Moves—Will Aid in Avoiding Trouble

Negligence on the part of an insured to state clearly his or her intention or desire has proven quite an impetus to the wheels of justice in many provinces of the Dominion. Causes of trouble are many and important, and one of the leaders is the fact that the law relating to beneficiaries is quite different in various provinces. When there has been a change of residence the question or dispute generally hinges on which law governs. This is one of the main points behind the demand for uniform laws for all provinces.

H. M. Cook, secretary of the Mutual Life Assurance Co., recently handed out some good advice to the buyers of insurance when he suggested that their advice in regard beneficiaries should come from the head office or the legal department and not from the agent. Such vexed questions, he declared, are ones which the field men should not attempt to deal with. Beneficiaries fall into two principal classes. In one case there is a vested interest and the assured has a limited power of control only, while in the other, the assured is at liberty to make subsequent changes as he may desire from time to time. There are in reality three classes of beneficiaries, preferred, ordinary and beneficiary for value. Regarding the latter, it is perhaps sufficient to state that a beneficiary for value is defined as a beneficiary for valuable consideration other than marriage. The act states that nothing is to be done by the assured to the prejudice of a beneficiary for value. There is a further provision that a beneficiary for value must be so stated in the contract, or by an endorsement thereon.

Preferred the Leaders

Preferred beneficiaries constitute the most important class and should receive special attention. The class actually consists of five divisions but in the average case resolves itself to wife, mother and children only. In the case of an unmarried man, the mother is the sole member of the class. The status of preferred beneficiaries is well defined in section 178, sub-section 2, which states that a trust is created, and that so long any object of the trust remains, the policy moneys shall not be subjected to the assured's control, or of his creditors, or form part of his estate. This is most important. The wife living at the maturity of the contract may not be the wife named in the policy, or the original beneficiary may not survive the assured. The statutes define in each case where the benefits are to go, if not subsequently disposed of by the assured. Notwithstanding the appointment of a preferred beneficiary, it is provided that upon the death of such beneficiary, the benefits may be disposed of by the assured in any manner, either by his estate or any other person whether or not the latter belongs to the preferred class. It might be added that adopted children, step-children or step-parents are not included in the class.

The assured may borrow to pay premiums, may dispose of the profits or convert the policy to paid-up insurance, without the beneficiary's consent, as in each case nothing is being done to the prejudice of the beneficiary. Any other transactions under the policy, however, such as a cash loan, an assignment or a cash surrender settlement, cannot be completed without the consent of the beneficiary. These points are not always made sufficiently clear to the policyholder and as a result there is frequently misunderstanding and in some cases there is also hardship involved. In the case of an unmarried man, he may find it very inconvenient to have his mother join with him in a transaction under his policy. Other difficult situations arise where there are infant beneficiaries. A case of this kind might be cited where the assured found it impossible to deal with his policy or change the beneficiary for a long term of years. These situations cannot always be anticipated ~~but~~ the client should be fully informed as to just what an appointment of beneficiary may involve. Policies payable to wife are not usually troublesome. It is submitted that advantage should be taken of the statutes, in view of the security thrown around the preferred class, so that definite provision may be made for dependents.

All other beneficiaries fall naturally into the ordinary class. In this case the assured reserves full power of appointment and revocation. There is no vested interest of any kind and at the beneficiary's death the benefits revert at once to the assured's estate. A clear distinction should be made between a policy payable to estate and one payable to legal heirs. The latter are defined in the act and must not be confused with executors, administrators or assigns.

Change By Will

It is evident from the statutes that a change of beneficiary must not necessarily be brought about in any prescribed form. The beneficiary may be designated by the contract or by an instrument in writing attached to or endorsed on it or by an instrument in writing, including a will. The benefits may be referred to as the insurance or the policy or policies of insurance or the insurance fund or language of like import. To the latter can be given the widest possible interpretation of what constitutes an effective dispostion of insurance moneys. It is to be noted that a disposition by will is quite effective but such disposition as against a subsequent change is deemed to have been made at the date of the will and not at the death of the testator. Disposition of insurance benefits by will has much to commend it as the assured may retain control of his policies during his lifetime. There is this danger that the drawing of the will might possibly be neglected.

Provision has also been made for the appointment of a trustee or trustees to receive insurance moneys, which appointment may be changed from time to time. This privilege is of particular importance when the beneficiary is an infant or a lunatic or a person whose place of abode is unknown. In all of these cases the company is obliged to make payment into the Supreme Court if no one has been authorized as trustee by the insured, to receive settlement. It is submitted that advantage should be taken of this privilege, particularly in the case of infants, so that the funds may be available when required for the advancement or education of the infant, without the more cumbersome procedure of applying to the courts.

There is a growing volume of insurance on the lives of minors. Those of the age of fifteen years or over have the power under the statutes of effecting insurance for their own benefit or for the benefit of a preferred beneficiary or of a father, brother or sister. They may surrender such insurance or give a valid discharge for any benefit accruing. No further statutory power is given to minors. It is therefore a question to what extent they can subsequently deal with their policies before attaining majority, or otherwise dispose of the benefits. In the case of minors under fifteen, no statutory power has been given. It has been fairly well established that a contract by an infant is voidable by him but binding upon the other contracting party. This would suggest that some care should be exercised in taking applications from minors.

FORTY-SECOND YEAR MOST SUCCESSFUL

North American Life Carried Insurance Total Past Hundred Million

The North American Life's forty-second year was the most successful in its history, the annual report showing a total of $17,931,327 of new insurance added, bringing the total business in force at the beginning of the new year up to $108,059,134. The cash income of the Company, premiums, interest, etc., was $5,010,421. Including $516,496 paid as dividends or surplus, there was paid to policyholders during the year $2,402,039. Guarantors received $6,000 in dividends.

Death losses during the year increased a little over 1921, reaching a total of $609,977. Assets total $23,683,842 while with liabilities deducted the net surplus stands at $3,476,320.

Pres. L. Goldman is quite optimistic as to the business outlook for 1923, declaring that the reaction has spent itself and conditions are becoming more normal. The Company experienced a number of cases of default in the West where it has some of its funds invested. The president said the directors had no anxiety about their loans in the West. The majority of borrowers met their obligations in a satisfactory manner.

Fidelity Insurance Had Excellent First Year

The Fidelity Insurance Co. which started business in March last year, concluded 1922, a little over nine months' business with a total premium income of $31,417 and without having been called upon to pay a claim. The company commenced with guarantee business and in the last month of the old year added plate glass. The balance sheet shows assets of $318,620. Surplus account stands at $1,061 after providing for various reserves.

WESTERN LIFE REPORT

The Western Life report shows new policies issued in 1922 were for a sum of $2,174,799 making the total in force $6,011,895 with a premium income of $202,539. Assets are given as 548,157 an increase of $93,945. Policy holders' reserves are $440,500.

UNIFORMITY AND QUALITY OF GOODS MAKE BUSINESS

Are Two Leading Counters in Developing Export Trade

PACKING A FACTOR

Proper Methods Make for Satisfactory Transit and Satisfied Trade, Says Ottawa Expert

Quality and uniformity of goods count far away above anything else in the development and holding of export trade, according to J. S. McLean of the Harris Abattoir Co., in addressing the Export Trade Class at Toronto University. He added that the reaction of goods that are not up to the standard may prove to be a very serious thing. It requires a great many acts to secure a good name in the foreign market, but only one to lose it. Claim adjustment and settlement is much more difficult and so the attitude and goodwill of the foreign buyer is to be closely studied. When one can satisfy the export buyer on quality and uniformity of goods, he has gone a long way towards intrenching his line on that market. Covering the accounting problems in connection with export, he said his firm endeavored to have the system show the maximum penalty the situation may impose at any time. In other words, it should show losses or fluctuations in the market from time to time on various shipments. He instanced a case where bacon was 130s per cwt. the first week in December, 1922, and by the third week had dropped to 95s. His firm operated on a fixed basis of conversion in connection with exchange, keeping the nearest trade basis on the present market value.

Mr. McLean gave some interesting views on the possibilities for the Canadian bacon trade in Great Britain, now strongly held by Denmark. He said the Dominion had many things in its favor, including a surplus grain production while Denmark imported most of its feed. He expressed the opinion that the Canadian farmer would be far better off if he exported his surplus grain in the form of hogs.

Packing is everything in the successful conduct of export trade, according to remarks of Col. L. M. Cosgrave, Commercial Intelligence Service, Ottawa. He pointed out that correct packing was profitable to the packer as it reduced his costs and was a great thing in the development of trade. He pointed out that a Chilean firm wrote Ottawa stating that they would rather do business with Goldie McCulloch, Galt, though their prices were 5 to 10 per cent. above British and German prices, because of satisfactory deliveries. The speaker advocated tests for all packing and suggested that shippers might do well to visit the docks at Montreal or Quebec and they would thus realize first-hand, the importance of having their products well packed. He urged strict conformity with shippers' instructions. The latter were always based on local conditions unknown generally to the shipper.

NEW EMPIRE LIFE GETS UNDER STEAM

Over Half of the Capital Stock Has Already Been Subscribed

Organization meeting of the Empire Life Insurance Company was held in Toronto this week when it was announced that of the capital stock of $1,000,000 about one-half had been subscribed.

During its first week of business the Company wrote some quarter of a million of life insurance and expects to have $1,000,000 insurance in force by the end of February.

The president and managing-director of the new Company is M. P. Langstaff, and the vice-presidents, W. B. Peace and S. Casey Wood, K.C. Mr. Peace, past president of the Life Underwriters' Association, is to be the manager for agencies. Mr. Peace has had a life-long experience in organization work and is recognized as one of the leading agency men in Canada. Major J. Ross Paterson has been appointed secretary-treasurer. Mr. Paterson, before his overseas' service, was associated with the head office of the Manufacturers' Life Insurance Company for ten years.

The president and managing-di- M. P. Langstaff; W. B. Peace; S. Casey Wood, K. C.; C. M. Colquhoun, Assistant City Solicitor; G. R. Geary, K. C., Counsel to the Corporation of the City of Toronto; F. H. Kirkpatrick, Ph. D.; W. G. Jackson, President. J. B. Jackson Co., Ltd.; S. R. Mackellar, manager, John Stark & Co.; A. H. Vanderburgh, secretary-treasurer, Firstbrook Box Co.; Mr. Geo. E. Shaw.

EARLY LENT AID TO BUSINESS

The fish business should enjoy a good season during the coming season of Lent. It starts Feb. 14 and ends April 1. The price of eggs is high and the period when they are a popular substitute for meat is some distance away. Besides the cold weather which should rule will make it economical for the handling of fish.

FINE SHOWING MADE

Report May to Dec. 31, 1922

Reinsurance Written - - - -		$1,578,165
Net amount in Force - - - - -		$1,303,535
ASSETS - - - - - - -		$274,864.65
LIABILITIES - - - - - -		58,661.30
Paid-up Capital	$125,000.00	
Surplus - -	91,203.35	
Excess of Assets—Being Surplus Security to other Companies		$216,203.35

ADDITIONAL REMARKS:

The above summary shows the fine progress this Company has made since its organization eight months ago. It does an exclusive Reinsurance business with other Companies only.

(1) It has not yet had any death claims.

(2) Investments in first-class Bonds and Debentures total $227,201.66.

(3) Reserves on Reinsurance policies, less Reinsurance by the Company, $8,294.00.

(4) Apart from Commissions paid other Companies ($8,146.84), all its operating expenses to date amount to only $4,503.82.

(5) Volume of Double Indemnity Reinsurance for which treaties have been made with other Companies is growing steadily.

(6) Reinsurance connections extended month by month. Department added for Accident and Sickness Reinsurance. In eight months premiums received less those paid for Reinsurance, were $18,231.13.

THE REINSURANCE COMPANY OF CANADA

HEAD OFFICE - WATERLOO, ONT.

An Excellent Record

For Year Ending December 31st, 1922

Insurance in Force - -		$13,207,339
ASSETS - - - - - - -		$450,542.71
LIABILITIES - - - - - -		268,447.91
Paid-up Capital	$102,000.00	
Surplus - -	80,094.80	
Excess of Assets—being Surplus Security to Policyholders		$182,094.80

Premium Income $346,835.44, Less Reinsurance Premiums $58,364.96, Net $288,470.48.

NOTES:

The vigorous progress of this Company is shown by the following data and comparisons with 1921:

(1) Assets increased by $182,494.95.

(2) Insurance in Force gained $6,200,153.

(3) Policies issued in 1922 for a total of $9,442,022.

(4) Reserves set aside on policies in force (Government Basis), $194,526.00.

(5) A remarkable feature of this report is that the Company laid the foundation for a large future premium income by a 42% expansion in one year—without REDUCING ITS SURPLUS. In fact this was increased by $1,711.52.

(6) Mortality 31% of the expected.

THE ONTARIO EQUITABLE LIFE AND ACCIDENT INSURANCE COMPANY

HEAD OFFICE :: :: WATERLOO, ONT.

Fifty Dollars a Month

(*Guaranteed to you by the Canada Life*)

How Fifty Dollars a Month looks to the Average Man
Age 20—Happy on Fifty Dollars a month.
Age 21—Fifty Dollars a month is not enough.
Age 35—Thinks he can easily afford to "spend" Fifty Dollars a month.
Age 50—Things are not going as well as they were.
Age 55—Strange how these assets have depreciated! Fifty Dollars a month is good interest on $10,000, and not to be despised.
Age 60—He Finds Fifty Dollars a month pension, added to what is left, brings happiness.

You know of men well up in years who are still "drudging along." They cannot stop if they would, but must go on to the end of their days working for a living. You can avoid that

Why Not Pension Yourself?

Why not "take stock" of your present financial position—to size up your personal affairs and decide on a plan for the future?

Our New Pension Plan

guarantees that upon reaching a certain age in life you will receive a MONTHLY cheque for $50.00, $100, $200, $250—as you may now decide—and this monthly payment cannot cease as long as you live.

An Income for Life

Think what it may mean to you to be certain of an income right up to the end of life, when you consider that 97% of people in their later years are partially or wholy dependent upon others for support.

When they were younger they did not have the chance now offered you. It was not then possible to secure such a convenient and certain provision as this Monthly Pension Plan.

Why not Look Into This?

An average deposit of only a few dollars a month will return you $50.00 a month later on, when a regular income will be welcome—no matter what your circumstances may be.

Independence in later life may depend on your action now.

Do not Pass This By.

Canada Life

Home Office
TORONTO
Canada

Canada Life Assurance Company, Toronto:
Dear Sirs—Without obligation on my part, you may send me particulars of your Pension Plan.
Name ....
Address ....
Born .... day of ....

12

NEWSPRINT OUTPUT BEAT OLD RECORD BY 211,000 TONS

Final Figures Show 1922 Total as 1,986,551 Tons

MONTREAL.—Final figures are now available for the year 1922 to enable a comparison of the newsprint situation to be made with that of previous years. The total newsprint production of the Canadian mills during the past year amounted to 1,086,551 tons, the largest in the history of the industry in Canada. This shows an increase of 275,000 tons over 1921 or 34 per cent. of an increase, and nearly 211,000 tons over the high record up to that time of 875,696 tons produced in the year 1920. As compared with the total for the year 1917 of 689,847 tons there is an increase of no less than 55 per cent.

The figures for each month of the year compare thus:

Monthly Record in 1922

	Production Tons	Shipments Tons
January	81,418	83,555
February	78,294	80,476
March	85,973	87,572
April	83,731	82,924
May	94,502	94,812
June	92,588	93,901
July	90,282	85,447
August	98,141	97,764
September	94,444	92,210
October	97,467	97,362
November	97,148	96,232
December	85,506	6,127,921
Total	1,086,551	1,092,157

A comparison with the statistics of production for previous years will show the large increase in 1922.

Year	Tons
1917	689,847
1918	734,783
1919	794,567
1920	875,696
1921	812,727

887,000 Tons to U. S.

The export figures are equally satisfactory. For the year 1922 these amounted to 959,514 tons which shows an increase of 150,000 tons over the year 1921 or 35 per cent. Comparison of the total for 1922 with the total production shows that Canada in the past year exported over 88 per cent. of all the newsprint it manufactured, retaining just a little over 11 per cent. for domestic requirements. This shows a slight increase over the proportion exported in 1921 which was slightly over 87 per cent. It seems certain that with the comparatively small growth in newsprint demands in Canada, the percentage of exports to production will rise steadily and soon exceed 90 per cent.

It is interesting to note that out of the total exports in 1922, 887,835 tons went to the United States, 33,693 tons to Australia, 12,029 tons to New Zealand, while the remainder was divided mainly between Great Britain and South America.

Record of Exports

The monthly record of exports was as follows:

Month	Tons	Value
January	67,701	$4,966,352
February	70,729	5,040,244
March	95,196	6,793,128
April	61,452	4,371,961
May	75,783	5,361,102
June	86,479	6,136,649
July	77,004	5,453,845
August	84,023	5,933,825
September	79,557	5,632,755
October	81,552	5,811,954
November	94,532	6,733,078
December	85,506	6,127,821
	959,514	68,362,817
Total 1921	709,238	$69,750,317

In an address at the annual convention of the Canadian Pulp and Paper Association, George Chahoon, Jr., chairman of the newsprint section, dealt with the situation during the past year as follows:

HOW THE C. P. R. GETS THE TIME

The time was being discussed by a group of small boys on upper Yonge Street, Toronto, the other day. One looked up and quoted the C.P.R. station timepiece—a time-piece which echoes the time around the world.

"And that's right," he emphasized, "I know by our kitchen clock."

"It is pleasing to be able to state that the year 1922 witnessed a welcome revival in this branch of the industry and new high records for production and shipments were established, although prices did not resume their former levels.

"There has been throughout the year a gradual improvement in business generally and the improvement has been reflected in a greater demand for the product of our mills. The return to more normal conditions has gone further in the United States than in Canada and as that country consumes over 80 per cent. of our production of newsprint paper, our mills have benefited accordingly. Although newspaper advertising during the year was below the volume of 1920, various other causes contributed to a record consumption of newsprint in the United States and resulted in an increase of nearly 15 per cent. over the consumption for that year."

Exports to Australia

Dealing with export business Mr. Chahoon stated that as far as Australia was concerned Canada was still at a serious disadvantage compared with exporters from the United Kingdom on account of the preference tariff. The Canadian government, largely at the instance of the newsprint men, had sent Hon. Jas. A. Robb, Minister of Trade and Commerce, to Australia a few months ago to endeavor to arrange a new trade agreement with that country, and as a result he was practically certain, he said, "that unless the discrimination against Canadian paper by Australia is removed or modified to an appreciable extent, our shipments to that country must inevitably diminish."

Increase 490 Tons Daily in 1923

The chairman went on to state that the productive capacity of the Canadian newsprint mills had been increased during the year bv four new machines bringing the total daily capacity up to 3,825 tons. For the coming year there were new machines under construction which would increase the capacity by 490 tons giving a total daily capacity for 1923 of 4,315 tons or about 1,294,500 tons per annum. He suggested that while the manufacture of newsprint in Canada had grown very rapidly, the production more than trebling in the last ten years, it was incumbent on all concerned to be certain that the growth should be sound and should be built upon a solid foundation.

DEBENTURES FOR SALE
OSHAWA

Tenders addressed to the undersigned will be received up till 3 p.m. Wednesday, February 7th, for the following debentures.

Purpose	Amount	Rate	Term	Payable
Pavement	$30,997.00	5½	15 Years Instal.	Dec. 31st.
Pavements & Sidewalks	171,423.91	5½	20 Years Instal.	Dec. 31st.
Bridge	12,000.00	5½	20 Years Instal.	Dec. 31st.
Trunk Sewer	20,000.00	5½	30 Years Instal.	Dec. 31st.

Equal annual Instalment Coupon Debentures, Interest payable annually December 31st. Delivery and payment to be made at Oshawa, Ont.

Highest or any tender not necessarily accepted.

P. A. BLACKBURN, Town Treasurer, Oshawa.

The Audited Statements of the

Waterloo Mutual Fire Insurance Co.

for the year ending Dec. 31st, 1922

Receipts

Premiums, Cash and Fees	$209,181.76
Premiums, Mutual	85,771.78
Interest	50,176.14
Rents	640.00
Re-insurance for Losses	26.009.18
Profit and Loss Account	5,178.18
	$376,957.04

Expenditure

Losses	$162,024.68
Rebates, Cash and Mutual	21,600.16
Re-insurance	37,289.32
Commissions	49,334.74
Expenses of Management	53,592.71
Taxes (Dominion, Provincial and Municipal)	3,822.72
Donation to Northern Ontario Fire Relief Fund	3,500.00
	$331,164.33
Balance	45,792.71
	$376,957.04

Assets

Real Estate	$ 30.000.00
Mortgages	8,000.00
Debentures	933,461.16
Agents' Balances	2,471.97
Cash on Hand	3,023.85
Cash in Bank	16,352.42
Accrued Interest on Debentures and Mortgages	20,121.45
	$1,013,430.85

Liabilities

Unpaid Losses (net)	$ 4,969.14
Re-insurance Reserve	179,430.15
Balance	829,031.56
	$1,013,430.85
Cash Balance over all Liabilities	$829,031.56
Premium Notes after deducting all payments thereon	250.504.13
Total Assets	1.263,934.98
Deposit with Provincial Government	50.000.00

ALLAN BOWMAN, President. L. W. SHUH, Manager.

Waterloo, January 8th, 1923.

To The President, Directors and Policyholders of the Waterloo Mutual Fire Insurance Company.

Gentlemen,—We beg to report that we have made a regular successive monthly audit of the books of account and vouchers of your Company during the year ending 31st December, 1922, and that we have found the same correct and according to the abstract statements submitted herewith.

We have also examined the securities held by your Company, and find that they agree with your accounts and are according to the detailed statement thereof as submitted by us.

In our opinion the balance sheet referred to in this report is properly drawn so as to exhibit a true and correct view of the state of the Corporation's affairs as shown by its books,

J. M. SCULLY, F.C.A.
J. SCULLY Auditors

Waterloo, Ont., 8th January, 1923.

DIRECTORS—Allan Bowman, Preston; S. B. Bricker, Waterloo; P. E. Shantz, Preston; J. Howard Simpson, Guelph; Richard Roschman, Kitchener; L. W. Shuh, Waterloo; W. G. Weichel, Waterloo; Aloyes Bauer, Waterloo; Joseph Stauffer, Galt.

ALLAN BOWMAN, President; S. B. BRICKER, Vice-President; L. W. SHUH, Manager; ARTHUR FOSTER, Assistant Manager; B. E. BECHTEL, Inspector.

HERE IS GREAT IMMIGRATION OPPORTUNITY

(Continued from page 1)

cause he has grown up on his land but also because he has no special desire to become rich. His chief ambition in life is to build a home for himself in which he can take a pride.

The governments of the various central European countries have divided up the former large estates among the peasants not solely for political or economical reasons, but in order to make themselves popular with the agricultural community, so that at the present time practically any man can only hold just as much land as he himself is willing and able to cultivate. The condition, therefore, of the worker is to-day universally a favorable one and everyone who is willing to work has an excellent opportunity to do so, as, on account of this division of the large estates, labor is everywhere in demand.

It, therefore, appears to me as probable that the only people who would be likely to emigrate would be those who wish to become rich rather than to work, and who having made the money they required would eventually return to their own country as rich people. Such emigrants as these would, I believe, be of little use to Canada.

Transylvania, however, which is now a part of Roumania, constitutes an exception to this general rule.

The great majority of the inhabitants of this district are pure Hungarian and I have no doubt that my opinion will be generally shared that they are undoubtedly the best and most diligent farmers in the world.

Their new government, the Roumanian, has troubled very little to make itself popular with them, a fact which is due to long-standing political conditions which have obtained for centuries. The Transylvanian peasant has for centuries been strongly imbued by his church with royalistic principles and he maintains his position in this respect at the present time only because he is of a peace-loving disposition. This fundamental trait in his character was evinced during the war, as the war became unpopular with the country people the moment they discovered that they were only defending Germany and Austria, both of which nations had been their arch enemies since the war for freedom of 1848.

It can be easily understood, therefore, how the peasant holding such opinions regards himself as the victim of misfortune and of subjugation in his new company which is not only admittedly a military state but also has political interests which the Hungarian peasant can never share. This is the reason why these splendid peasants are leaving their land in crowds. Many thousands of them have emigrated to Hungary. But the Hungarian government recognizes the fact that this emigration is agreeable to the Roumanian government and that the country will thus become Roumanianized. It is, therefore, doing all it can to stop this emigration of the peasants from Transylvania, because Hungary has never for a moment given up the hope that she will at some future time get this country back again. She hopes for a revolution when these people will rebel and rejoin Hungary under a King.

A large number of these Hungarian peasants are Transylvanian Schwabians who, although they speak German, have no more to do with Germany or Austria than, for example, England has to do with America. These people settled in the Banat district in the seventeenth century and have retained their language ever since. They are a mixture of French and German. The Schwabians were never contented under Hungarian rule; as their number, however, was small their influence was never very great and thus through the long years they have struggled against the conviction that they are homeless, and this conviction has finally become a permanent one. As far as these peasants are concerned the best evidence I can adduce is that they have not only acquired the agricultural methods of the Hungarians but are an extraordinarily clever and intelligent people with an exceptional capacity for business, which has made them successful farmers.

I have learned to know Canada (even if only superficially) well enough to be able to say that if these Transylvanian emigrants could be secured for Canada the very best results would be obtained and no stone should be left unturned in order to secure these people. But your Government must act quickly.

I understand that in order to further the success of this idea the Government have established an emigration bureau in Bucharest. I am sorry to have to say that this step is bound to prove useless. Everything coming from the former Roumania, no matter how good it may be, is to the Transylvanian foreign and hostile, and on no account would the Transylvanian peasant dream of going to Bucharest to make his arrangements.

The chief cause, however, of the certain failure of this step is that no one in Translyvania knows anything of Canada. The general idea is that Canada is a wild country where one has to cut down the forests before one could think of cultivating the land.

To succeed in securing emigrants from there it would be necessary to institute a campaign of propaganda in the newspapers in the form of letters written by someone in Canada who has come from that country, otherwise the peasants would never believe it.

The financial question is also a very important one, for the peasant there is a poor man, his money is worth very little, so that not only would his passage have to be paid but the land would have to be granted upon correspondingly easy conditions. If arrangements cannot be made for handling a large number, perhaps the best plan would be to bring over a hundred or even a thousand or so people as an experiment in order to be actually convinced that it would pay to make any sacrifice in order to secure these first class farmers.

HOPEFUL SIGNS HAVE APPEARED DURING JANUARY

(Continued from page 1)

paid, and there is not anything like a large enough demand for mortgage money to get these funds out immediately. Good mortgages are quite eagerlv sought.

In this connection a remark of W. E. Rundle, general manager of the National Trust, made at the annual meeting of that company, is interesting. Mr. Rundle expressed the view that there may be a tendency to overbuild, in stores and in homes of a certain type. He did not specify but he evidently meant in a few of the larger centres. In the smaller places building has not been boomed at all. In the big cities, however, things are different and while there is ample money to loan on mortgages it is quite possible some speculative builders may find funds hard to secure, simply because the companies do not like the style of house or store they erect, or the localitv in which they are building.

An observer just back from the Maritimes estimates retail business there during 1922 as about 15 per cent. down compared with 1921. In the West the decline was certainly greater; yet east, west and centre there are signs of a betterment.

Retailers complain that their difficulties have been increased by the practice of the Credit Men's Association of selling bankrupt stocks in the district in which the failure occurred, and at slaughter prices. It is said things are still further aggravated through the dealer who has failed being allowed to buy back his stock at great reductions enabling him to break the local price market.

This whole grievance is one of long standing and in the interests of business generally would seem to merit consideration of trade associations so that the full truth may be brought out and remedies, if necessary and possible, applied.

A demand for rough hardware indicates that the farmer is becoming a larger buyer.

Retailers in the dry goods field fear a resistance on the part of the public, to paying the higher prices which it seems they will be asked about August. So the retailers are hesitating to buy cotton, silk and woollen goods at the higher price now being asked of them.

Quietness has followed the splendid Christmas trade. However, retailers, stocks generally are very low and a revival of buying on the part of the public will bring orders to the manufacturers. January, of course, is always a slow month.

The editor of Dry Goods Review quotes figures as given by one retailer as fairly well indicating the general condition. A merchant whose turnover in the best war days reached $110,000 sold in 1921, $65,000 of goods; but in 1922 the turnover had climbed back to $80,000.

IMPROVEMENT MET IN KRAFT PULP INDUSTRY

From Our Own Correspondent

MONTREAL.—Investors in securities of companies that manufacture kraft pulp and kraft paper such as Wayagamack, Brompton, Dryden, will find encouragement in the report issued to the Pulp and Paper Association at the annual convention, by C. R. Whitehead, chairman of the kraft pulp section, who is also president of the Wayagamack Co. He declared that the promise of better things for 1922 was well fulfilled and the mills reporting to this section were able to operate to capacity for a good part of the time. "Due to the general improvement in business the demand for our product kept up well throughout the year both in the United States and Canada, and the increased demand was reflected in greater production and larger export figures."

He went on to state that there has been a strong competition in the United States market from the European countries and large quantities of sulphate pulp had been imported from Norway, Sweden and Finland. In spite of this, however, Canadian exports to the United States amounted to 137,188 tons for the first eleven months of the year, compared with 87,308 tons for the corresponding period of 1921.

Mr. Whitehead went on to state that all the exports were sent to the United States and the total quantity showed a considerable advance over any previous year's figures, although the drop in prices had affected the total value. He concluded as follows: "It seems to be the general opinion that the coming year will be one of steady business and a return to normal conditions. In that case the kraft pulp industry should share in the general prosperity along with the other branches of the pulp and paper industry."

Agency Wanted for P. Q

French bond dealers' firm, having 1,500 agents doing a large securities business in the Province of Quebec, wants exclusive or special agency for first-class fire and casualty companies in that Province. Having entered the insurance field on a small scale a few months ago, has already established wide connections with the best class of local agents. Could show results from the beginning.

Address reply to
Box 26, The Financial Post

51ST ANNIVERSARY
CONFEDERATION LIFE ASSOCIATION

"Service to Policyholders"

J. K. MACDONALD, *President*

1922 Another Year of Real Progress 1922

Over a Million Dollars Surplus Earned
Increase in Rate of Interest Earned
Decrease in Expense Ratio

PAID POLICYHOLDERS AND BENEFICIARIES $2,845,131.00

Total Insurance in Force, Dec. 31	$154,812,769.00
Total Assets	33,530,537.00
Total Income	7,354,644.00
Surplus	3,377,286.00

C. S. MACDONALD, *General Manager.*

Full Annual Reports are in the Press and may be obtained on application.

TENDERS WANTED

TOWN OF FORD CITY

DEBENTURES FOR SALE

Sealed tenders will be received by the undersigned up to eleven o'clock a.m. on Friday, February 9th, 1923, for the purchase of the following debentures namely:

$59,198.62	10 yrs. 6%	for Pavement.
178,303.18	15 yrs. 6%	for Pavement.
48,958.26	20 yrs. 5½%	for Water Mains.
15,111.94	10 yrs. 6%	for Silex Walks.
5,000.00	10 yrs. 6%	for Police & Fire Signal System

Debentures to be dated December 15, 1922, and are repayable in equal annual instalments of principal and interest. Interest payable semi-annually. Debentures to be issued in $1,000.00 and odd amounts.

No tender necessarily accepted.

Dated at Ford City this 30th day of January, 1923.

J. F. FOSTER, Treasurer.

Tenders for Bonds

The City of St. Lambert invite tenders for purchase of $350,000 30-year bonds, dating from November 1st, 1922, bearing interest at 5½% payable May 1st and November 1st.

The Bonds are of $1,000.00 denomination, payable at the Bank of Hochelaga, St. Lambert and Montreal and at the Bank of Montreal, Toronto.

Sealed tenders will be received up to Monday evening, February 19th, at eight o'clock, and will be opened at Session of Council held that date, at the City Hall.

Each tender must be accompanied by a certified cheque, equal to one per cent.

The Council does not bind itself to accept the highest or any other tender.

Further particulars can be obtained on application at the City Hall.

JAMES R. BEATTY,
Secretary-Treasurer.

Corporation of the City of Trail, B. C.

TENDERS FOR DEBENTURES

Tenders will be received by the undersigned up to 5 p.m. on Monday, February 19th, 1923, for the purchase of $11,980.29, 6%, 20-years, local improvement sinking fund debentures. Denomination $500.00 and one debenture for $480.29. Debentures are dated February 1st, 1923. Interest payable semi-annually on February and August 1st. Debentures are ready for immediate delivery. Interest and principal payable at Bank of Montreal at Trail or Toronto.

The highest or any tender not necessarily accepted.

WM. E. B. MONYPENNY,
City Clerk.

DIVIDEND

THE CANADIAN BANK OF COMMERCE

DIVIDEND NO. 144

Notice is hereby given that a dividend of three per cent upon the paid-up capital stock of this bank has been declared for the quarter ending 28th February, 1923, payable at the bank and its branches, on and after Thursday, 1st March next, to shareholders of record at the close of business on the 13th day of February, 1923.

By Order of the Board,
JOHN AIRD,
General Manager.

Toronto, 19th January, 1923.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent., upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after Thursday, the FIRST day of MARCH next, to Shareholders of record of 31st January, 1923.

By order of the Board,
FREDERICK WILLIAMS-TAYLOR
General Manager.

Montreal, 19th January, 1923.

THE BANK OF TORONTO

Dividend No. 166

Notice is hereby given that a **Dividend of Three Per Cent.** for the current quarter, being at the rate of **Twelve Per Cent.** per annum upon the Paid-Up Capital Stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its branches on and after the **FIRST day of March** next to Shareholders of record at the close of business on the 10th day of February, 1923.

By order of the Board.
JOHN R. LAMB,
General Manager.

The Bank of Toronto, Toronto,
January 17th, 1923.

BANK OF HAMILTON

DIVIDEND NOTICE

NOTICE is hereby given that a Dividend of Three per cent. (Twelve per cent. per annum) on the paid-up Capital of the Bank, for the quarter ending 28th February, has this day been declared, and that the same will be payable at the Bank and its branches on 1st March next, to shareholders of record at close of business February 14th.

By order of the Board.
J. P. BELL,
General Manager.

Hamilton, 22nd January, 1923.

Montreal Light, Heat & Power Consolidated

26th Dividend

Notice is hereby given that a Dividend of One and One-Half per cent. on the Paid-Up Capital Stock of the Company (being at the rate of Six per cent. per annum) for Quarter ending January 31st, 1923, has this day been declared:

1st. To Shareholders of record January 31st, 1923, on the Montreal and London, England, Registers.

2nd. To holders of Share-Warrants in redemption of Coupon Serial No. 26.

Dividend cheques will be mailed to registered shareholders February 15th, 1923; share-warrant coupons will be redeemed on presentation at the Company's Office, 315 Power Building, Montreal, or at the office of Mr. P. Bon de Sousa, 1 Rue des Italiens, Paris, France.

By Order of the Board,
C. S. BAGG,
Secretary-Treasurer.

Montreal, January 25th, 1923.

The Royal Bank of Canada

DIVIDEND NO. 142

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT (being at the rate of twelve per cent per annum) upon the paid up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Thursday the first day of March next, to shareholders of record at the close of business on the 15th day of February.

By order of the Board.
C. E. NEILL,
General Manager.

Montreal, Que., January 16, 1923.

THE

DOMINION BANK

PROCEEDINGS OF

The Fifty-Second Annual General Meeting of the Shareholders

THE FIFTY-SECOND ANNUAL GENERAL MEETING OF THE DOMINION BANK was held at the banking house of the institution, Toronto, on Wednesday, the 31st of January, 1923.

It was moved by Mr. A. T. Reid, seconded by Mr. R. Y. Eaton, that Mr. A. W. Austin do take the chair, and that Mr. W. K. Pearce do act as secretary.

Messrs. E. H. Baines and R. M. Gray were appointed scrutineers.

The secretary read the report of the directors to the shareholders, and submitted the annual statement of the affairs of the bank.

TO THE SHAREHOLDERS:

The directors beg to present the following statement of the result of the business of the bank for the year ended 30th December, 1922.

Balance of Profit and Loss Account, 31st December, 1921		$ 715,480 59
Profits for the year, after deducting charges of management and making full provision for bad and doubtful debts		1,175,478 27
		$1,890,958 86
Which amount has been disposed of as follows:		
Dividends (quarterly) at Twelve per cent. per annum	$720,000 00	
Bonus, one per cent.	60,000 00	
Total distribution to Shareholders of Thirteen per cent. for the year		$ 780,000 00
Contribution to Officers' Pensions Fund		45,000 00
Dominion and Provincial Government Taxation		157,795 48
Written off Bank Premises		150,000 00
Balance of Profit and Loss Account carried forward		$ 758,163 38
		$1,890,958 86

E. B. OSLER,
President.

C. A. BOGERT,
General Manager.

The head office and branches have been inspected during the year by qualified officials of the bank, and at the head office the usual verification of cash and securities has been made by members of the board.

The auditors appointed by the shareholders, Messrs. G. T. Clarkson and R. J. Dilworth, have investigated the bank's affairs, and their report is attached to the balance sheet.

During 1922 branches of the bank were opened at Dundas Street West, and Runnymede Road, Toronto, and at St. John, N. B. The shareholders will note with interest that this is the first branch of the bank to be established in the Maritime Provinces.

The following branches were closed:

In Ontario—Union Stock Yards, West Toronto; Trenton.

In Quebec—Westmount.

In Manitoba—Dauphin; Teulon; Norwood, St. Boniface; Portage and Kennedy St., Winnipeg.

In Saskatchewan—Yorkton.

In Alberta—Seven Persons; Edmonton Stock Yards, Edmonton.

It is with great regret that our directors have to record the death of Sir John C. Eaton, which took place on the 30th of March last. He had been a director since 1907, and his loss is keenly felt by the bank and by the community at large. Mr. R. Y. Eaton was elected to fill the vacancy on the board.

E. B. OSLER,
President.

Toronto, 31st January, 1923.

The report was adopted.

Messrs. Geoffrey T. Clarkson and Robert J. Dilworth, the retiring auditors, were reappointed to hold office until the next Annual General Meeting.

The thanks of the shareholders were tendered to the President, Vice-Presidents and directors for their services during the year, and to the General Manager and the other Officers of the Bank for the efficient performance of their respective duties.

The following gentlemen were duly elected directors for the ensuing year: Messrs. A. W. Austin, C. S. Blackwell, James Carruthers, R. J. Christie, R. Y. Eaton, E. W. Hamber, H. W. Hutchinson, W. L. Matthews, R. S. McLaughlin, Sir Augustus M. Nanton, W. W. Near, Sir Edmund B. Osler, A. T. Reid and H. H. Williams.

At a subsequent meeting of the directors, Sir Edmund B. Osler was elected president, and Mr. A. W. Austin and Sir Augustus M. Nanton Vice-Presidents for the ensuing term.

GENERAL STATEMENT

Liabilities

Capital Stock paid in			$ 6,000,000 00
Reserve Fund		$7,000,000 00	
Balance of Profit and Loss Account carried forward		758,163 38	
Dividend No. 161, payable 2nd January, 1923		180,000 00	
Bonus, one per cent., payable 2nd January, 1923		60,000 00	
Former Dividends unclaimed		1,474 00	
			7,999,637 38
Total Liabilities to the Shareholders			$13,999,637 38
Notes in Circulation		7,571,461 00	
Due to Dominion Government		4,500,000 00	
Deposits not bearing interest	20,119,809 95		
Deposits bearing interest, including interest accrued to date	78,234,187 60		
		98,353,997 55	
Balances due to other Banks in Canada		1,214,303 98	
Balances due to Banks and Banking Correspondents elsewhere than in Canada		3,017,246 72	
Bills Payable		184,240 00	
Acceptances under Letters of Credit		735,365 06	
Liabilities not included in the foregoing—		488,112 73	
Total Public Liabilities			116,064,727 04
			$130,064,364 42

Assets

Gold and Silver Coin	$2,075,673 45	
Dominion Government Notes	13,651,168 25	
Deposit with Central Gold Reserves	1,700,000 00	
Notes of other Banks	987,087 10	
Cheques on other Banks	8,465,160 00	
Balances due by other Banks in Canada	45 72	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	2,344,978 10	
	29,224,112 62	
Dominion and Provincial Government Securities, not exceeding market value	11,895,645 24	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities, other than Canadian, not exceeding market value	1,808,367 26	
Railway and other Bonds, Debentures and Stocks, not exceeding market value	1,847,062 57	
Call and Short (not exceeding thirty days) Loans in Canada on Bonds, Debentures and Stocks	5,808,605 24	
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada	6,460,938 08	
		$57,044,731 01
Brought Forward		$57,044,731.01
Other Current Loans and Discounts in Canada (less rebate of interest)	63,912,230 47	
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)	1,322,556 53	
Liabilities of Customers under Letters of Credit, as per contra	735,365 06	
Real Estate other than Bank Premises	36,449 37	
Overdue Debts, (estimated loss provided for)	208,701 46	
Bank Premises, at not more than cost, less amounts written off	6,151,885 62	
Deposit with the Minister of Finance for the purposes of the Circulation Fund	304,500 00	
Mortgages on Real Estate sold	22,170 71	
Other Assets not included in the foregoing	325,774 19	
		73,019,633 41
		$130,064,364 42

E. B. OSLER
President.

C. A. BOGERT,
General Manager.

AUDITOR'S REPORT TO SHAREHOLDERS

We have compared the above Balance Sheet with the books and accounts at the Chief Office of The Dominion Bank, and the certified returns received from its Branches, and after checking the cash and verifying the securities at the Chief Office and certain of the principal Branches on December 30th, 1922, we certify that, in our opinion, such Balance Sheet exhibits a true and correct view of the state of the Bank's affairs, according to the best of our information, the explanations given to us and as shown by the books of the Bank.

In addition to the examinations mentioned, the cash and securities at the Chief Office and certain of the principal Branches were checked and verified by us at another time during the year and found to be in accord with the books of the Bank.

All information and explanations required have been given to us and all transactions of the Bank which have come under our notice have, in our opinion, been within the powers of the Bank.

G. T. CLARKSON
R. J. DILWORTH
(Of Clarkson, Gordon & Dilworth, C. A.)

Toronto, January 18th, 1923.

ANGORA LEADERS SHOW TENDENCY TO AVOID A WAR

Firm Attitude of Britain Has Been Big Factor

CONTROL STRAITS

Mesopotamian Responsibility Has Been Costly One But is Not One Merely of Oil Wells

The Assembly at Angora appears to have decided to instruct Ismet to avoid the adoption at Lausanne of an attitude that might lead to war. This decision is in accordance with the anticipations of persons well informed upon Near East questions, but it has undoubtedly been brought about by the firm attitude of the British government. Control of Constantinople and the Dardanelles with ample provision on the spot of the most modern and deadly munitions have been potent arguments with people who know no reason save force. The policy of assuming responsibility for Mesopotamia may or may not have been necessary during the war and the wisdom of continuing to bear the burden of responsibility afterwards may be questioned; but there could be no doubt that a breach of faith would have been committed had the mandate for Mesopotamia been simply handed over to the group at Angora. The interests of the population, which is Arabic and not Turkish, would have been sacrificed. The question is not by any means one of oil exclusively or even largely. The main point is that the population of Ivak preferred on the whole to trust to British protection than to Turkish.

If the news from Angora turns out to be well founded, the Near Eastern question has passed its acute stage. The chief centre of European trouble at the moment is France. The French have taken the bit between their teeth, having done their utmost to embroil Great Britain and Turkey in order to leave themselves a free hand in Central Europe. They have embarked upon a policy which must inevitably lead France into huge military and other expenses without any visible material returns. Moreover, in throwing Germany into the hands of Russia, the future of Central and Eastern Europe alike has been compromised. French action has not only been flagrantly adverse to the interests of peace and therefore to the interests of the Allies but unless some miracle occurs it appears likely to be suicidal.

For nearly thirty years before the outbreak of war, France was cultivating the friendship of autocratic Russia as a counter to autocratic Germany. Now, autocratic Germany is at least temporarily defeated, France forces democratic Germany to ally herself with autocratic-communist Russia as a counter to democratic France. Such an alliance, economic, political and military as that between Russia and Germany can only leave one object—that is revenge against France.

The situation is such that Great Britain must stand aside. She cannot prevent France from going to her ruin nor can she prevent France from taking a large part of Europe with her.

The only hope lies in the possibility of the French petty bourgeois putting an abrupt stop to the proceedings through pressure upon or change in the French government. When the French taxpayer realizes that instead of getting reparations and balancing the national budget, he has only to encounter more deficits, decline in the purchasing power of the franc, rising prices and increased taxation, he will think the attempt to secure more German territory hardly worth the cost.

It is now known that the British government had worked out a practicable scheme for the payment by Germany of at least sufficient to enable France to balance her budget and to pay her indebtedness to the United States, Great Britain surrendering her own claims upon France. The French government refused this offer. It was quite natural for them to do so because what they wanted was territory and not money, and for the French obligations to Great Britain and the United States they were quite indifferent because they had no intention of troubling about either.

As things are, both Great Britain and the United States are entitled, if they choose to do so, to demand from France immediate settlement of their respective accounts. If settlement were refused, collection would be a hard matter; but the French people would be made aware in what light their aggressive ventures are regarded by the world in general—at all events by those people who really count.

Meanwhile incipient monarchist uprisings are taking place in Germany, the German youth is receiving what amounts to military training, munitions are being manufactured on a great scale near St. Petersburg, and German ships are being built with feverish haste at Hamburg and Stettin.

Germany is not ready for an attack upon France at the present moment; but every advance of France into German territory will make France more vulnerable to an attack and Germany more determined to precipitate it.

From the point of view of practical business the advance of France into the Ruhr is a blunder, because it prevents the payment of any more reparation money by Germany. From the point of view of international policy it is a blunder also, because it hastens rather than retards the inevitable war of the future.

The Forty-Eighth Annual Report of

The London Life Insurance Company

Shows Remarkable Progress in all Departments During 1922

Insurance in Force	$129,682,341	—a Gain of 16%
New Insurance Issued	36,947,404	—a Gain of 18%

Mortality Rate (Ordinary Branch), 36% of Expected

FINANCIAL STATEMENT

REVENUE ACCOUNT

RECEIPTS	
Premiums, "Ordinary and Weekly"	$4,429,043.19
Interest on Investments	996,558.02
Sundries	80,196.35
	$5,505,797.56

DISBURSEMENTS	
Paid Policyholders or Heirs	$ 894,723.26
All other Disbursements	1,530,539.11
Balance to Investment Account	3,080,535.19
	$5,505,797.56

BALANCE SHEET

ASSETS	
Mortgages, Bonds, Debentures and Debenture Stocks	$16,625,717.49
Loans on Policies and other Invested Assets	1,626,778.92
Premiums Outstanding and Deferred	606,495.31
Interest Due and Accrued	375,196.05
	$19,234,187.77

LIABILITIES	
Reserve on policies in force	$17,151,083.00
Accumulating and Accruing Profits	815,067.88
Special Reserves and other Liabilities	613,660.23
Surplus on policyholders' account (including paid-up capital, $100,000)	654,376.66
	$19,234,187.77

Features of 1922 Report:

INVESTMENTS—High grade and yielding an average rate of 6.78%.

LIABILITIES—Set up for every contingent as well as actual debt, including full provision for all profits earned in accordance with Company's high scale.

BONUSES—Voluntarily declared to Policyholders of the "Weekly Premium" Branch.

DIVIDENDS—High distribution scale maintained in "Ordinary" Branch with dividends running to 200% of estimates.

SURPLUS—After full provision for all necessary and many exceptional Funds, unapportioned surplus on Company's stringent basis increased to $554,376.66 or 70% over the preceding year. Were Liabilities calculated simply in accordance with statutory requirements, Surplus would be $2,468,768.66.

Dr. A. O. Jeffery, K.C.,
President.

W. M. Spencer, J. G. Richter,
Vice-Presidents.

Edward E. Reid,
General Manager.

J. F. Maine,
Supervisor, W. P. Agencies.

J. G. Stephenson,
Superintendent, Ordinary Agencies.

BIG INCREASE IN PAGES OF DAILIES

This Accounts to Great Extent for Bigger Newsprint Demand

From Our Own Correspondent

MONTREAL.—Newsprint Service Bureau of New York, announces certain comparisons drawn from newsprint statistics for the past year and previous years that will serve to strengthen confidence in the position that industry has now reached.

Production among the United States and Canadian mills during the twelve months of 1922 was 24 per cent. more than in 1921 and 6 per cent. more than in 1920. Imports of newsprint to the United States for nine months in 1922 were 61 per cent. more than in 1921, and 35 per cent. more than in 1920. Mill stocks, that is the supplies of newsprint on hand at the mills, at the end of 1922 were 29 per cent. less than on December 31, 1921, while publishers' stocks were 7 per cent. more. Publishers had on hand supplies for 36 days' consumption or a little more than one month.

Advertising in tthe newspapers in 23 of the leading cities of the United States for the year amounted to 5 per cent. more than in 1921, and 5 per cent. less than in 1920, which was the highest peak in history. Periodical advertising in national publications amounted in January, 1923, to 26 per cent. more than in January, 1922, but was still 8 per cent. less than in January, 1921.

The daily papers of a circulation over 100,000 in December, 1922, averaged 27 pages, compared with 25 pages in December, 1921, while the Sunday editions contained an average of 91 pages in 1922, as against 83 in 1921.

Ore receipts at Trail Smelter for the week ending January 21, amounted to 7,072 tons, 5,750 tons of which were produced by the company's mines and 1,322 tons by other mines.

CONNECTICUT COTTON CO. STARTS DIVIDEND

Resumes Regular 8% on Preferred Stock Which Had Been Interrupted

From Our Own Correspondent

MONTREAL.—Canadian Connecticut Cottons resumed their dividend payments on the 8 per cent. cumulative preferred stock by a declaration of 2% for the quarter ended Dec. 31, 1922, and a further 2 per cent. for the first quarter of 1923, the latter payable April 1 to record March 15. The last financial statement showed net profits for the year ended Sept. 9, 1922, at $1,074,649. At the time it was stated that preferred dividends would not be resumed until the trend of business could be determined more accurately. It is concluded, therefore, that a satisfactory condition now exists that warrants dividend action.

CHANGE IN CONTROL

New Yorkers Purchase Shares in British America Insurance

Control of the British America Assurance has been purchased by Crum and Forster, New York, for $6.87 per share, for the $850,000 common outstanding and 125 per cent. of par for the $550,000 of preferred. The price for the preferred is precisely the figure at which it was subscribed by Toronto interests to tide the company over when it had to bear heavy losses resulting from the Toronto and Boston fires and the San Francisco earthquake some years ago. Crum & Forster have extensive interests in the United States and control a string of fire insurance companies, including the United States Fire. British America will be carried on as a Canadian concern under its present name and with its present board.

Drug Store Clerk Became Soup King

The entire common stock of the T. A. Snider Preserve Company has just been sold to the New York Canners Co., and the financial papers are relating stories of the success of the Snider Company. They do not mention, however, that Mr. Sinder was originally a clerk in a drug store near the corner of Queen and Yonge Streets, Toronto. Mr. Snider began his career by making a very high grade tomato ketchup. He was noted for the painstaking care he gave to the quality of the product and the good service he always gave to his customers. It is said that with the exception of 1920 the Snider Company showed a profit in every year of its thirty-seven years of existence. In 1922 the net profit was $375,000. Mr. Snider removed to the States but paid occasional visits to Toronto and almost invariably included this office in his tour.

LEE QUITS BROTHERHOOD

President William G. Lee of trainmen's brotherhood accepts presidency of Steigelmyer Manufacturing Co., $10,000,000 Indiana corporation making automatic train control devices. Will resign brotherhood position "when new organization gets in full operation." Big Four railroad is using Steigelmyer demonstrator and Great Northern and Burlington have ordered demonstrations.

Assets Under Administration By National Trust Company Increase by Nine Millions

Another Year of Company's Progress Described by Sir Joseph Flavelle, Bart., President, and Mr. W. E. Rundle, Vice-President and General Manager—Growth in Estates and Deposits—The Western Mortgage Situation—Borrowers and Lending Companies Have Kept Faith—Record of the Prairie Provinces a Guarantee of Their Future Progress.

CANADA NEEDS IMMIGRATION

Volume of Trade Required to Employ Country's Equipment—Canadians Should Study European Problems.

Continued progress during 1922 by the National Trust Company (including a gain of over 9 millions in assets under administration and a 23 per cent. increase in deposits) was reviewed by the President of the Company, Sir Joseph Flavelle, Bart., and Mr. W. E. Rundle, Vice-President and General Manager, at the annual meeting of shareholders, held **on January 30th.**

In moving the adoption of the Report, Sir Joseph Flavelle said:

President's Remarks

The Statement which I have pleasure in presenting to you to-day reflects another year of progress.

Again we report a large increase in the assets under administration. The net earnings of the Company are slightly lower than those of the previous year. They amounted to $294,598.16, and together with $121,282.34 brought forward from last year into Profit and Loss Account, enabled the Company to pay $240,000 in dividends to its Shareholders—being at the rate of 12 per cent. per annum; to provide $18,000 for Dominion Income War Tax; and to carry forward $157,880.50 into the Profit and Loss Account for 1923.

The increasing confidence reposed in the Trust Company, as shown by the Balance Sheet, justifies us in the belief that this Company will in the coming years continue to receive its full share of the increasing business done by Trust Companies in Canada.

In order to cope with what we believe to be the inevitable development of Trust Company business, we have built up a staff which I can assure the Shareholders is eminently qualified to take care of the share in this development which must come to us.

Before moving the adoption of the Report, I shall ask the General Manager to address you and as his remarks will refer in some detail to the Balance Sheet, I shall not myself refer to it further.

During the year your Directors authorized subscriptions to various charitable funds. A Resolution in confirmation of these subscriptions will be submitted to you to-day.

We regret having to record the death during the year of Mr. George Durnford, who has been Auditor of the Company's business in Montreal since the opening of its office in that city. Mr. Durnford always took a keen interest in the Company and rendered most faithful and valuable service in the performance of his duties as Auditor.

I desire on behalf of the Board to express appreciation of the services given to the Company's affairs by the Resident Directors at Montreal and at Winnipeg, and also to acknowledge the valuable services of Messrs. Thompson, Dickson & Shaw, and of Messrs. Finlayson, Auld & Mackechnie, the Company's Agents at Edinburgh and Glasgow, respectively.

The General Manager will now address you.

The General Manager, Mr. W. E. Rundle, then spoke as follows:

General Manager's Remarks:

Sir Joseph and Gentlemen,

This twenty-fifth annual meeting of the Shareholders finds us able to present a report which, I believe, will be considered satisfactory by all concerned. On the 1st September next the Company will see its twenty-fifth birthday, and when we meet a year hence, it will be fitting to look back over the twenty-five years and review somewhat in detail the Company's progress in that period.

The net earnings for 1922 amounted to $294.598.16, which are slightly less than those for 1921. It is to be remembered. however, that the earnings for 1921 were the largest in the history of the Company. Those for 1922 are next in amount.

Large Increase in Company's Business

During the year just closed we experienced a very large increase—no less a sum than $9,730,858.31—in the assets brought under our administration, so that at the close of 1912 the total assets under administration amounted to $112,543,408.09. These are large figures and are bound to be reflected in the future earnings of the Company. They are also a very striking evidence of the public confidence in which your Company is held.

When one contemplates that the naming of an executor under a will or of a trustee for trust funds, is, in a very real sense, among the most serious of the decisions men and women are called upon to make, it must be gratifying to the Shareholders of this Company to find the Company's services as an executor and as a trustee so greatly in demand.

I think that I should take this opportunity of making some reference to a statement sometimes made in uninformed quarters that the charges of Trust Companies for looking after estates and trusteeships are high. The reverse is the fact. If you refer to the Balance Sheet you will find that the assets are held as follows:

I. Those held on Capital Account which belong absolutely to the Shareholders.		$ 4,341,718.17
II. Those held for Guaranteed Trust clients — that is to say, for clients who have handed the Company moneys under its guarantee, which are repayable at fixed dates or on demand and bear fixed rates of interest.	$5,941,839.16	
III. Those held for estates, trusts and agencies. These assets belong absolutely to the various beneficiaries for whom they are held.	$102,259,850.76	108,201,689.92
		$112,543,408.09

Profits Moderate for Business Undertaken.

It seems to me that the Comany's net earnings of $294,598.16 are, to say the least, a very modest return to the Shareholders on their Capital Investment in the Company and for the responsibility and care of other assets amounting to $108,201,689.92. I do not know of any other business where the net earnings are so small in comparison with the magnitude and importance of the business undertaken.

Deposits Increase 23 Per Cent.

One of the most outstanding features of the statement presented to you to-day, and one to which I would like to direct attention, is the large increase (23 per cent.) which has taken place in our deposits during 1922. The Act passed by the Ontario Legislature two years ago to facilitate Trust Companies in the taking of deposits has, I believe, given satisfaction to all concerned. The restrictions and safeguards provided by the Act make the position of a depositor in a Trust Company exceptionally strong, and our experience during the last twelve months, as evidenced by the splendid increase in our deposits, shows that the public is recognizing this fact.

During the year the Government officials, in conformity with the requirements of the Act of the Ontario Legislature passed in 1921 providing for the inspection of Trust Companies, made their annual inspection of our Company. We are convinced that the tendency of Government inspection will be to further strengthen public confidence in the companies themselves. This will undoubtedly result in a still greater enlargement of the business of Trust Companies through their extended use by the public.

I would also direct your attention in passing to the very strong liquid position of the Company, while you will, I am sure, be pleased to know that the assets appearing in the Balance Sheet presented to you to-day are carried at figures below present market prices. Your Directors believe ample provision has been made to take care of all contingencies.

Increased Loaning on Mortgages—Precautions Needed Against Over-building.

There has been a good demand throughout the year for mortgages at good rates of interest, and we have taken advantage of the demand to increase our mortgage loans on both improved farm and city property. The construction during 1922 of new buildings in some of our cities—especially of stores and dwellings—was very marked in its activity. The cost of building is still high and one cannot resist the feeling that a note of warning to builders to exercise increasing care at this time is not out of place lest they should be induced to overbuild—a tendency which is already plainly evident in certain quarters.

Western Mortgage Loans

As we have offices in the Provinces of Manitoba, Saskatchewan and Alberta, you will expect me to say a word about conditions in those Provinces, and particularly as these conditions affect mortgage loans. Before generalizing, however, let me be specific regarding our own mortgage loans in the Prairie Provinces. We have been lending there for over twenty years, and we have yet in any one year to make a net loss of one dollar on our total mortgage business. I do not mean to say that in individual cases there have not been small losses, for there have been, but these have been more than offset during the year in which they were made by profits received from the sale of other foreclosed property. Ours is by no means an isolated experience. It is, I understand, common to all those companies who from the outset adopted and have strictly adhered to well-known and well-tried principles of loaning, among the chief of which are to loan only upon improved property; to select mortgages with care; to insist upon the inspection of the property offered as security by a salaried inspector of the company rather than accepting an agent's valuation; and to loan only in selected districts. It may be that during the next two or three years while markets for farm produce and costs of production are adjusting themselves to more normal conditions, the unique experience of mortgage lending companies will be somewhat varied, and they will be called upon to write off some losses. However this may be, so far as our own Company is concerned, we have frankly faced the possibility and have already made ample provision for all contingencies. You will be interested and pleased to learn that since the recent harvest our interest collections in the West have been greater than they were for the corresponding period a year ago.

Conditions in The West

Now as to general conditions. There is without doubt not a little in the West to-day which must cause anxiety. Nothing is to be gained by overlooking it. But, on the other hand, there is much to reassure us. This, in all fairness, should with equal frankness be acknowledged. The country is passing through a period of readjustment. It has done so before. It did so when its resources were small in comparison with those it possesses to-day. When we recall the difficult situation prevailing in the West in the Nineties and how it was met by the courage and resourcefulness of the people of those days, and then recall the great advance in the development of the country which has since taken place, there is no reason to believe that what was successfully accomplished twenty-five years ago could not be repeated, if necessary, in the Prairie Provinces of this day.

A Quarter-Century of Western Progress

Let us for a moment look back twenty-five years, for in so doing we shall see the expanding resources of our Western provinces. These should be borne in mind when considering the adverse factors of to-day. In 1898 the population of Manitoba and the North-West Territories (now Saskatchewan and Alberta was approximately four hundred thousand. Now it is slightly under two million. In 1898 the production of wheat was but 32 million bushels. In 1922 these same provinces produced 375 million bushels. In other words, while the population increased five times, the wheat production increased over eleven times. In 1898 the total field crops amounted to 62 million bushels. In 1922 they are estimated in round figures at 800 million bushels, or almost thirteen times that of twenty-five years ago. In 1901 (I have not the 1898 figures) the total number of live stock (horses, cattle, sheep and swine) was 1,620,000, while in 1922 the corresponding figure is 8,200,000, or slightly over five times that of twenty-five years ago. Poultry and dairy products also show great increases.

In 1898 the savings deposits for the whole of Canada amounted to $140,120,000, while to-day those of the Prairie Provinces alone are authoritatively estimated at $200,000,000. The same authority estimates that the savings deposits in the West are still more than twice what they were in 1914, the year the war broke out.

During the Victory Loan campaigns of 1917, 1918 and 1919, Manitoba, Saskatchewan and Alberta subscribed for almost $210,000,000 of Victory Bonds—a striking tribute to their patriotism as well as to their wealth. There were over 530,000 separate subscriptions. Many, of course, subscribed in all three campaigns, but even after making allowance for duplication of subscribers' names where this occurred, it was estimated that 1 in every 8 of the population subscribed. In addition, the Prairie Provinces took a substantial amount of the several War Loans which were issued before the Victory Loans.

Every mortgage-lending company knows that large numbers of prudent farmers in the West actually paid off their mortgages out of the high prices they received during the war and the two years following.

The experience of our Life Insurance Companies also throws an interesting light upon what has been taking place in the Prairies in recent years. It is authoritatively estimated that Life Insurance policies have doubled in amount in the last seven years, and that over 75 per cent. of the policies are held by farmers.

One who, like myself, has been visiting the West at frequent intervals during the last twenty-five years, could, if time permitted, tell how he has been impressed from time to time in the disappearance of pioneer conditions from many sections throughout the country; how the shack has given way to the good substantial dwelling, the rude stable has been replaced by the fine barn, fences built, and machinery accumulated.

Indebtedness Reduced

Now, I submit the facts and figures I have given testify a splendid achievement and bespeak an abiding faith in the country. It is a record of which not only the Prairie Provinces but all Canada should and does feel proud. Such a record can but bear illuminating testimony to the possibility of the soil of that great country, as well as to the energy of its people.

I am not unmindful of the great burden of indebtedness which rests upon the West, although you will be pleased to know that the view of well-informed opinion is that this indebtedness has been substantially reduced as the result of the 1922 crops. But after all, we must not forget that the incurring of debt was largely a controllable factor. I am not forgetting the adverse conditions which attended the crop of 1921, some of which continued to pursue the farmer in 1922.

Work and Frugality Will Win Through.

It might be asked then, why is it that there is so much feeling of disappointment in the West to-day, following hard as it does upon the harvesting of the largest wheat crop in its history? It is fortunate that the answer cannot be found in a reproach to the productivity of the soil. It is to be found in a combination of circumstances, some of which we as individuals must lay to our own blame; most of which—to wit, prices, costs and drought in some areas—was uncontrollable; but all of which will pass as conditions return to normal and as we apply harder work and greater frugality to overcoming them. In all fairness, we can say that in the feeling of disappointment which has recently possessed us we have for the moment been prone to over-emphasize our difficulties in the West without taking sufficient count of the wonderful resources of our provinces and their future possibilities, as evidenced by their remarkable performances in the past. After all, we have in our West a soil which grows wheat such as every miller in the world must have if his flour is to compete in the world's markets. Men and women can, when necessity compels, do without a lot of things, but they cannot do without bread. Canada, due to its great Western Prairies, is now the largest wheat-exporting country in the world. There is much in this to give both confidence and courage.

Paternal Legislation Not a Remedy

In whatever direction lies the solution of our difficulties in the West, I am sure it is not in the enactment of paternal legislation such as we have seen placed upon the statute books of some of our provinces in recent years. The greatest need of a man engaged in developing a new country—next to that of his own character and industry—is capital. Together they form a partnership for mutual benefit. Neither the man nor capital can afford to break faith the one with the other. Capital, in so far as it is represented by the mortgage-lending companies—Life, Loan and Trust—has abundantly kept faith, I venture to say, with its borrowers in the Prairie Provinces. No one is more interested in keeping borrowers upon the land than are these lending institutions. To this end it is a common thing to extend the necessary accommodation and leniency. There may be here and there an isolated case of undue harshness. Even that, of course, is regrettable, but such cases are rare, very rare, in comparison with the total number of borrowers. It is equally true that the great majority of borrowers have kept faith with the lending companies. Thus it is difficult to comprehend the point of view which determines upon legislation inimical to the interests of all concerned. Not only is the legislation to which I refer unnecessary, in the opinion of the lending companies, but it is disturbing to those in Great Britain and Europe who have supplied the lending companies in Canada with so much of the capital now invested in our Western provinces. Notwithstanding the efforts of some of our Provincial Governments to themselves lend money to farmers, the great bulk of the money required now and for many years to come to finance our farmers, and especially those in our great West, must be provided by our mortgage-lending companies. In turn, a great number of these companies—such as our Loan and Trust Companies—must, to a great extent, secure the moneys they lend from the British investor. There are no people in the world who have a greater sense of obligation to a debt than the British people. At this very moment they are giving to the world a striking example of this in their determination to pay to the United States the debts which they incurred during the war. Despite the excuses so well known to us all which the Britisher might fairly make in the circumstances, despite the hardships and the disappointments which he is called upon to bear, he does not ask for legislation nor does he enact it himself, to make a debt anything other than a debt. It is from the people who have this conception of a debt that we must seek the funds so vitally necessary for the development of our agricultural lands and other natural resources.

Canada Needs Immigration

In the remarks which I made to you a year ago I emphasized Canada's need of population and the necessity for a wise and vigorous immigration policy. I wish today to again emphasize this question. Immigration, it seems to me, stands in the forefront of the important problems facing our country at the present time. I feel confident there is no other single factor which would contribute so much to the solution of all our problems, and in the end to the material comfort and contentment of every class in Canada. There exists today upon our farms and in several of our industries a demand for labor which cannot be filled. The cry against immigration, when examined, is found lacking in substance. Immigration properly controlled and well directed will injure none but must benefit all. What we need in this Dominion is volume of business. This is strikingly illustrated in our railway situation. We have a large equipment in every business activity—too large for the needs of our present population. More people would create greater demands upon our equipment and thus afford a larger market for labor, for agriculture, for manufacturers and for all. The immigration figures for 1922 were so small as to be almost negligible. On the other hand there was a considerable exodus of our people to the United States where a large population provides, even in the face of a declining export market, a great domestic market for the labor and products of its people. Canada cannot afford for long to regard these conditions without anxiety. They are too vital to her. When one contemplates the enormous undeveloped resources of our country in agriculture, in minerals and in forests—the envy of the outside world—there can be no question as to the great opportunities for advancement and betterment which Canada offers to the right kind of immigrant.

The Outlook for 1923

In conclusion I wish to make a few observations upon the outlook for 1923. I am not going to venture into the realm of prophecy. That is always dangerous ground. But, after all, business has to be carried on. It cannot stand still. Hence we must carefully consider the conditions at hand, look into the months that lie before us, and determine our course as best we may.

Despite the disturbed conditions in Europe, Great Britain's trade, especially in the basic industries of coal, iron and steel, has shown a steady improvement in recent months, while reports from the United States indicate great trade activity in that country. Thus Canada's two best customers are enjoying better trade at the opening of 1923 than a year ago. Canada's own trade figures for 1922 reveal a favorable balance of exports over imports of $122,000,000, as against a favorable balance of $3,200,000 only a year ago. These are among the encouraging signs. On the other hand, the domestic demand for goods in Canada is much below the normal demand of recent years, due mainly to lessened purchasing by our farming community—especially in the West. Labor costs are still high, while taxation lays a heavy hand on all. Government and municipal expenditure, much of which could be avoided or postponed, mounts higher and higher, while individual indebtedness incurred through optimism or by extravagant habit presses hard upon certain sections of the country. These are among the discouraging signs which lie at our door.

Canadians Should Study European Questions

But the key to our business outlook is in Europe, whose markets we must have and of whose buying power we stand in need. The situation there is serious. The signs are hard to read. For the world at large much depends, both politically and economically, upon the course of events in Europe during the next few months. We Canadians, citizens of a vast Empire and vitally interested in the trade of the Motherland, have an interest of the greatest moment to ourselves in European affairs. We cannot watch them too closely. We cannot interest ourselves in them too deeply. We cannot study them too persistently. Ours is the privilege, ours the duty to have an informed and intelligent opinion upon international affairs, to the end that our views upon them might be sane and helpful whenever and wherever they are sought. The factors to which I have referred are at least some of those we must keep steadily in mind when determining our business course for 1923. As I said a moment ago, we cannot stand still. We cannot just hug the harbor. We have observed much in the offing to warn caution, to even forbode anxiety. But the skies are not wholly lowering. A silver lining is to be seen. When we look out upon other countries we find Canada is, after all, a stout and favored craft. True, the seas are choppy. But with reefs in our sails, and courage in our hearts, we shall put to sea, knowing it is only there good seamen are made.

WAS CHANGE IN CONTROL OF STEEL CONCERNS FORCED?

Significant Statements of Policy Change Support This Idea

NO MORE EXPANSION

Development of the Enterprises Will be Program Undertaken by Men Who Assume Directorships

A Buffalo dispatch to New York Daily News Record quotes W. M. Wilkens, new chairman of board of L. R. Steel enterprises, as saying concerns are still solvent, although need for cash is pressing, with total liabilities of around $36,000,000. An extension of 90 days on $8,000,000 bank loans has been secured.

Three heads now stand for the Steel organization where only one stood before while a board of control or senate will have the final say in all matters relating to the various Steel policies as a result of the recent Buffalo meeting. L. R. Steel held control of the three companies of which he was the president by having control of the voting power. This is being passed on to W. M. Wilkins, chairman of the board of control.

An interesting announcement which was made at the same time as that of Steel's retirement, was to the effect that Steel's plans for expansion have been thrown into the discard. W. L. Hahn, a director of the Steel Companies, said the new officers would halt this work and devote their energies to developing the enterprise already on hand. No new enterprises will be started. Reading between the lines, it would seem that the policy persistently adhered to by Steel in this regard may have had a great deal more to do with his retirement than poor health. Mr. Wilkins substantiated Mr. Hahn's statement in regard to curtailing further expansion. This brought from Hahn further remarks which leave the impression that the directors were far from being a unit with Steel in his policy. Hahn said that he did not appear in an antagonistic role, but simply as a director who had a great deal of money invested. He felt that the various enterprises under way had a good foundation but needed development. This opinion, he said, was shared with the other directors who felt that they should not undertake anything new.

While no new enterprises are contemplated under the board of control plan and those in the embryo stage will be discontinued, it was gathered from what Mr. Hahn said that there may be future stock sales in the cases of those companies already under way but not fully organized. Reports that pressure had been brought to bear on Mr. Steel as the result of a series of meetings attended by large stockholders in the Steel concerns were denied, although it is admitted that was the chief subject discussed. It was also reported that in addition to his stockholdings, Mr. Steel turned over to the new executive council a considerable amount of cash, but this also lacked official confirmation.

Quotations have been given from time to time of offerings and sales of Steel stocks in Canada. For the preferred $26-28 was recently quoted. In New York it is said speculators offer $25. This cost the public $100. It is stated that units, one preferred, one common and one Steel Realty Development common, sold to the public at $200 a unit have been offered as low as $85, says a Buffalo report.

It has been figured from balance sheets that the cost of stock-selling amounted to about 30 per cent. of the total amount realized. That is, out of every $100 a person put into Steel stocks, $30 went to pay the stock salesmen and the overhead of maintaining the stock-selling branch of the business.

Good will. leaseholds and other intangibles were carried on the inventories of the Steel concerns at figures regarded by many as extravagant, to say the least.

In addition to the L. R. Steel Corporation Inc., the United States Holding Company L. R. Steel Corporation, Ltd., the Canadian Holding Company, some of the chief subsidiaries and controlled concerns are:

The L. R. Steel Service Corporation which markets all the stocks of the various companies: L. R. Steel Realty, controlling all buildings and real estate occupied by various Steel enterprises; the Americanadian Import and Export Corporation, in the foreign trade; The Nelson Chain stores in the East; the Mary Lincoln Candy stores and the Continental Construction Company, the latter concern one of the most recently organized.

NO COAL EMBARGO

From Our Own Correspondent

NEW YORK.—Local Canadians are authoritatively informed that there is little or no chance of Congress authorizing the Interstate Commerce Commission to declare a coal embargo so far as Canada is concerned. Such agitation as has been in evidence during recent weeks aimed at the declaration of such an embargo is to be regarded as coming from politicians without a great deal of influence. The administration and the country at large is far too friendly toward Canada and Canadians to even risk the discussion of such an embargo in the House of Representatives.

INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

STUYVESANT INSURANCE

Reader, Weyburn—Will you kindly give me information as to the amount of deposits with the government and general financial standing of the Stuyvesant Insurance Company of New York?

The Stuyvesant Insurance Co. of New York has held a Dominion license since Aug. 1916. It has assets in Canada of $157,279. Its deposits with the Dominion have a par value of $105,500 and a market value of $108,995, being all Dominion bonds. The Company's liabilities total $59,122. the total assets of the parent company reach $2,589,737, and liabilities, except capital, are $1,656,028.

MIDDLE STATES OIL

A. P., Toronto—I would appreciate your opinion on Middle States Oil Corporation as a speculation at present quotations. I understand that this stock has never sold below par, and that it has an unbroken dividend record.

Middle States Oil is a holding Company holding stocks in others engaged in the production, storage and transportation of oil. In January, 1922, the capital was increased from $16,000,000 to $30,000,000 and of this $8,121,000 was used to acquire stocks in subsidiaries which would make the stock outstanding $22,871,000. This acquisition, when accomplished, would give the Company either ownership or control of the following:

Company, Inc.	Issued Cap.	M.S. Oils Holding
Corona Oil Okla. .	4,000,000	4,000,000
Dom. Oil Co. Texas	6,000,000	6,000,000
Imp. Oil Co., Del. C.	6,200,000	6,200,000
P.	1,600,000	1,600,000
No. 1 Oil Co., Okla.	200,000	200,000
No. 9 Oil Co., Del.	1,000	1,000
No. 77 Oil Co. Okla.	20,000	20,000
*Peters Oil Co. Del.	2,000,000	2,000,000
Ranger Texas Oil, Okla.	1,000,000	1,000,000
Texas Chief Oil, Del.	6,000,000	6,000,000
**United Oil Pro. Cpn., Del.	2,775,000	925,000

* 350,000 capital owned by No. 1 Oil which is 100 per cent. owned by Middle States.

** Imperial Oil, 100 per cent. owned by Middle States holds $1,850,000 of United Oil Prod. Peters Oil owns all the $500,000 capital stock of Central States Oil; all the capital stock of Leahy Oil, $107,000, and all the Peters-Leahy Oil $150,000. Texas Chief owns all the capital of Hobbs Oil, $100,000.

As of March, 1922, the Company and its subsidiaries were operating in Texas, Oklahoma, Kansas, Arkansas and Louisiana oil fields and had a settled production of 24,000 barrels daily from about 690 wells. The producing acreage totalled 19,433 acres and undeveloped but near producing areas, 54,860 acres.

Since the first of the year the Company has announced its intention of developing new railway, pipeline and storage facilities and to secure the necessary funds, shareholders of record, Jan. 29, can purchase 23 1-3 shares of new stock at $11 for every 100 held. It is proposed to sell 379,533 shares. On Dec. 31, 1921, the quick assets of the Company were $2,080,220 as compared with $2,321,106, with current liabilities $185,000 and $352,300. Dividends paid in 1921 totalled $3,983,156 as compared with $2,576,030 in 1920. From Oct., 1917, to Feb., 1918, dividends at the rate of ½ of 1% were paid. March, 1918, to March, 1920, 1% monthly; April 1, 1920, to July 1, 1921, 1 1-3% monthly; Oct., 1921, to date, 1% monthly, payable 3% quarterly. Stock dividends have also been paid. Aug., 1918, 4%; Nov., 1918, March, 1919, 8½ each; May, Sept., Dec., 1919, 10% each; March, 1920, 20%; July, 1920, 50%. The last quotation on this stock was $11.87; par value $10.

INSURANCE COMPANIES

A. T., Alberta—Kindly let me know if the following companies in which we carry a total of $30,000 insurance are in your opinion reliable: National of Paris, Canadian Fire, Northern Assurance, Hudson's Bay, Can. General, Niagara, London Lancashire, Atlas, Canada Nat. Fire.

Your enquiry as to the standing of the various insurance companies carrying the risk on your premises received. Below we supply an analysis of the standing of each in tabular form. The figures are taken from the reports of the Federal Department of Insurance, as these companies are all holders of Dominion licenses. We have presented four columns of figures. The first gives the amount on deposit with the department, mostly in war bonds. The second column is the valuation at which these deposits were accepted by the department. You will notice quite a reduction in some cases. This is due to the fact that the market value of many of these bonds, French bonds, for instance, is materially below par, due to the exchange situation. This deposit is a protection and an evidence that the companies are living up to the law and are in good standing. The Insurance Act demands that a deposit be maintained with the Receiver General at Ottawa in respect to the policies issued since the date of license, equal to the net level premium reserve in respect of policies in force, issued since the date of license. The deposit must not, however, in any case, be less than $10,000.

COMPANY—	Policy	Deposit at Ottawa	Deposit Value	Total Assets in Canada	Liabilities
National Paris	2,000	$1,040,928	$801,660	$671,467	$478,771
Canadian Fire	4,500	270,000	264,005	1,826,956	453,923
Northern Assurance ..	8,500	1,421,861	1,189,616	1,466,298	836,979
Hudson's Bay	2,500	61,976	48,866	468,107	206,186
Car General	2,000	480,159	432,058	520,231	133,937
Niagara..	2,000	405,000	394,065	499,619	209,227
London Lancashire	10,000	1,314,888	1,128,418	1,684,611	894,499
Atlas..	2,000	820,267	694,474	805,662	514,675
The Canada National Fire Insurance Co. ..	5,000	55,000	52,800	2,631,259	646,042

FOR A FAMILY MAN

Reader, Alberta—Please advise me on the following: Man head of family, age 42, steady employed, total resources, $20,000 invested as follows: Deposited in savings bank, 60 per cent.; Victory bonds, 80 per cent; real estate, 10 per cent. Would you consider Standard Bank stock a safe investment? Please advise as to investing some of the money deposited in savings bank so that it would earn a little more, but at the same time to be a perfectly safe investment.

The $12,000 you have on deposit in the bank could easily be invested to return you double the interest it now earns. This could be done with comparative safety.

Bonds would constitute the best investment for one in your position, we would think. There are numerous Western municipal bonds that can be obtained to yield around 6 per cent. It is difficult to make specific recommendations because municipal bonds are constantly moving and you would have to get offerings from investment dealers. But a recent list of a Western investment house mentioned Moose Jaw bonds due 1951 to yield 6 per cent.; Lethbridge bonds due 1939 to yield 6 per cent.; Medicine Hat due 1933 to vield 6.15 per cent.; and among those giving a higher yield, St. Boniface, due 1942 to return 6.35 per cent. You could probably get higher on the bonds of smaller Alberta municipalities. We would suggest that you communicate with an investment house in one of the Western cities near you and get specific recommendations.

TEXANNA OIL

Subscriber, Caledonia—Kindly give me any information you can about Texanna Oil & Refining Co., of Fort Worth, Texas. I have 250 shares Peace River Petroleums par $1, and one preferred share par $100 and ten common shares par $100 of Loew's Windsor Theatres, all of which I consider dead stock. The Texanna Oil & Refining offers to take this dead stock in exchange for 200 shares of Texanna Oil stock providing I buy one of their 15-year 8 per cent. sinking fund first mortgage gold bonds at $50.

We do not supply information in regard to U. S. companies. Some get oil in paying quantities all right. If the oil fails an oil bond with assets of a dry hole in the ground is hardly any better than stock.

Loew's may be facing a severe battle but it has a chance. Certainly it has assets more valuable than a dry hole in the ground. While it has not been making profits for the shareholders it has been paying its way. The fact that construction was carried out when costs were at the peak makes the burden harder.

You are perhaps not unduly pessimistic about Peace River Petroleum. The company is in liquidation. For your information, in case you might desire to write a Texas source re the oil company, lists of such companies in our hands give the Texiana, not Texanna, O & R. Co., which is quoted at 50, and another, the same name, at one cent.

ROLLING STORES

Reader, Kitchener.—Several persons in this locality have in this last year put in large sums of money into Rolling Stores, Ltd., purchasing what they call their 7 per cent., 10-year convertible sinking fund equipment first mortgage and first lien gold bond. We are rather inclined to think that the name of these bonds is the biggest part of the concern. The Huron & Erie Mortgage Corporation at Windsor is supposed to be trustee under the deed of trust or mortgage, which is supposed to have been deposited in the office of the Under Secretary of State, as appears by the certificate of registration on the back of the bonds themselves. Have you any information on this company or its proposition?

We are informed that the Huron & Erie Mortgage Corporation has no other interest in the Rolling Stores Ltd., other than to pay maturing coupons out of any funds at the credit of the Rolling Stores, Ltd., in the above mentioned account and should at any time coupons be presented for which there are not sufficient funds they will be promptly returned unpaid. The statement that the Huron & Erie Mortgage Corporation is trustee under the issue of bonds mentioned is denied. The company's name may have been used, without authority, in the sale of the bonds.

As to the proposition itself our enquiries indicate that it is comparatively new and while some success has been made by individual store wagons the success of an organization of this kind is doubtful. It will, it is felt, be difficult to get efficient and trustworthy operatives and to operate a sufficiently great portion of the year to ensure financial success. However, it is a further extension of the chain store idea and may have a future under favorable conditions.

As to the bonds themselves you will note that the security embraces the rolling stores, property rights, etc., and the total net assets when the sale of securities is completed will amount to double the amount of bonds issued. In view of the fact that the value of the rolling store would depreciate very greatly in the event of its not being a business success, we would not consider the bonds a sound investment.

Investing the Surplus Income of a Young Married Man

A. B., St. John—Can you advise me regarding the investment of my annual surplus? My income is a little less than $8,000 per year. I save about $2,500. I am 29 years of age, married, with a family. The portion of my income above $7,000 is subject to total taxes, Dominion and city, of about 16.55 per cent. which reduce the yield on a 6 per cent. taxable investment to about 5 per cent. The no-taxable war and Victory bonds avoid the city tax as well as the Dominion. You will therefore no doubt advise buying a large proportion of these. Would I be justified in buying a small proportion of preferred and common stocks, which avoid the tax and seem fairly attractive? Can you name half a dozen which will probably maintain dividends for several years? How much life insurance would you advise? My investments so far are only a few thousands insurance. The yield from endowment insurance, if you live until policy matures, is equivalent to about what rate compound interest? What form of insurance would you advise in my case?

Any sound plan for investment of income includes provision for adequate insurance. Of the $2,500 you are able to save yearly from your present salary about one-fifth or $500 a year should be devoted to life insurance. It is difficult to advise as to the best type of insurance. A man's personal aims and ambitions enter into this phase of the plan. In general, though, we would advise against endowment insurance for a man in your position. Endowment insurance is a combination of investment and protection and is excellent for those whose yearly savings are smaller or less regular than yours. But you can invest your surplus earnings to yield you in the end more than you would earn on an endowment policy. Whole life protection would be the best form because you have set up a standard of living that your dependents would find it impossible to continue in the case of your early death with the few thousand dollars you have had an opportunity to save to date. It is essential that you buy the most protection for the least money. Therefore whole life with profits with some 20 pay life should meet your needs best. You can put on about $25,000 of insurance for $500 a year and this is not too much.

You should make a will, if you have not already done so, appointing a trust company as executor. It is folly to make careful preparation to leave one's dependents in a comfortable position without also insuring that the money left shall be carefully invested and administered afterwards. A trust company at the present time, for instance, can invest trust funds and after deducting its fees return more than 6 per cent. to the persons whose money is being invested.

A third step would be to link up with an established investment house. You will find that the good investment banker is as careful with its client's money as a physician with a patient's health. Do not accept advice blindly but weigh it. Usually you find that the company will outline a plan for you that will be in your best interests.

To one in your position—with only a few thousand already invested—we would advise careful attention first of all to the foundation upon which you will build your investments. For another two years or so you would be wise to buy Dominion government bonds—the tax-exempt issues in your case—and provincial and municipal bonds. When you have $5,000 or more of these securities you may widen your activities and participate in the better yields that can be obtained on good municipal, industrial and other securities. Bonds might come first, followed by the best preferred stocks and an occasional speculation. But the foundation is important. Get that first. Later we will be pleased to advise you regarding any specific securities you have in mind.

Six Securities in Present List $5,000 More, and Money on Call

Subscriber, Toronto.—I hold the following and will be pleased if you will analyze same:

	Rate	Cost
50 shares Bell Telephone	8%	108½
10 shares Do., (new stock)	8%	par
25 shares C. P. R.	10%	148¾
25 shares Imperial Oil	3%	112½
25 shares Lake of Woods..	12%	167
$3,000 Victory Loan 1933 ..	5½	103.50
$5,000 Province Alta., 1941	6%	97.72

Would you advise me to sell some of the above and replace by some others?

How should I invest an additional $5,000 which would secure good returns, and which would be readily accepted by the bank if a loan were necessary at any time?

——— have offered 6% on call loan. Do you think this sound?

We notice that in all the securities given in your list the current market price shows a profit for you on your investment with the exception of Canadian Pacific Railway stock which you bought around 149 and on which you would lose around 9 points at the present level. With the exception of Imperial Oil, which must be placed in a speculative column, you hold fairly safe investments. In two Government bonds and two public utilities and two industrials you have a nicely balanced list of investments. The Bell Telephone and C. P. R. rank as amongst the strongest of our public utility securities.

Bell Telephone

So far as Bell Telephone Co. stock is concerned we note that you have taken advantage of the "rights" which accrued to you from holding 50 shares of the stock, to purchase one-fifth that amount, or ten new shares, at $100 a share. This brings your average price down to around $107 a share, or about $7 a share lower than the present market price and $13 a share below the high point reached during the year 1922. An analysis of the earnings for the first ten months of 1922, which appeared recently in the FINANCIAL POST, indicates that the Company will end the year with over $300,000 of a surplus, in addition to meeting the 8 per cent. dividend requirements. This shows a marked improvement over the position in the two preceding years when for the first time in a long period the Company did not earn the amount required to meet its dividends in full, although these dividends were paid out of surplus and we think will be paid even should a slight deficit on this account be met with from time to time. For the present year the Company will show excellent earnings, possibly not reaching the same percentage on its capital stock as it will show for 1922, owing to the fact that there has been considerable increase in this stock during the year, but covering dividend requirements at least even at the higher capital figure. The Company contemplates enormous expenditures for new equipment and for satisfying a large number of customers that are awaiting in every large centre in the Provinces of Ontario and Quebec. A large part of the amount expended will be revenue producing although in the case of the buildings that are planned the revenue will come only indirectly and after a longer period. We believe, then, that you may rest assured of the maintenance of your dividend and feel that in the next year or two the stock should reach a considerably higher level.

Canadian Pacific

The Canadian Pacific Railway Co. has suffered from a market standpoint a good deal in sympathy with the United States lines whose stocks are listed, like C. P. R., on the New York Stock Exchange, and such a large proportion of the sales of C. P. R. pass through the New York Exchange that the price there establishes the price for Canada. We believe the Company will show net earnings for 1922 over $2,000,000 in advance of last year so that the dividend requirements will show a margin of at least 1 per cent. With the enormous assets the Company has in western lands and in its steamship business, express Company, telegraph lines, etc., we believe you would be safe in holding this for a long term investment.

Imperial Oil

As to Imperial Oil you understand of course that this stock has a par value of $25; like most other oil stocks it must be considered as speculative; its present price and the broad fluctuations emphasize this; its return on the investment at present price is small. We believe that holders will benefit substantially but the result or failure of development operations in Western Canada will no doubt be a factor as well as the general developments in the uncertain market for petroleum products. If you take the investments in the West to indicate, as would seem to be the case, that the company has faith in the development of a field there and accept the opinion of oil authorities that the future of the oil industry as a whole is sound despite the present over-production then do not pay much attention to fluctuations. If you want to take a profit, however, watch for a bulge in the next month or so. On paper it looks like a good stock to trade in and out on, but that is a dangerous practice.

Lake of the Woods

On Lake of the Woods you have a prevailing market price of around ten points above your purchase price, which gives you a yield of slightly over 7 per cent. Lake of the Woods is one of the strongest of the milling companies in Canada, with excellent management, a well-established business, a very valuable good-will and trade mark in the form of brands, a profitable subsidiary business in a bag manufacturing concern, large reserves and assured profits. This stock we feel will reach higher levels also.

Victories Likely To Go Higher

The Victory Loan Bond of 1933 is selling over one point higher than your purchase price, around 104.80 at time of writing. We feel that this bond should reach higher levels as interest rates increase.

The Province of Alberta 1941 issue is now selling at 106,107, or 8 to 9 points above cost price to you. This, too, is an excellent investment, and should go higher.

There is not one of your holdings that we feel like advising you for any special reason to sell.

What Banks Will Lend On

As far as an additional $5,000 investment is concerned which would be readily accepted by a bank for a loan when necessary at any time, this might take the form of more Victory Bonds, Provincial Bonds, Municipal bonds, the three ranking as the highest grade securities; or public utility bonds or the better class industrial bonds. In all of these you would readily secure a loan at the bank for at least 90 per cent. of the market price. If you were to purchase preferred or common stocks there would be more difficulty in securing this loan, and there would, in nearly every case, be a discount in the amount of at least 20 per cent. from current market prices.

Personal Views on Common Stocks

Nearly all the banks would take these better grade preferred stocks, but when you come to the question of a loan on common stocks a good deal depends on the personal views of the banker with whom you would deal. Some prefer one stock and others another, and some would loan on one common stock security which another would refuse to advance any money upon. Such stocks as Laurentide Power, Montreal Power, Bell Telephone, Laurentide (Paper Co.), are acceptable, we believe, to practically every bank. Other well secured stocks might be objected to from the loan standpoint on the ground of more or less serious fluctuations that are apt to occur in the price, so that you would not receive 80 per cent. probably in a great many cases. If you will indicate to us the line of investment in this respect that you prefer we will deal with this in detail with you.

Lending Money on Call

Insofar as lending money on "call" we would not advise you to do so if you desire to keep your resources in a liquid form, available for use on short notice. The banks themselves lend money on call but do not consider these as among their more liquid

(Continued on page 20)

ON GUARD

National Trust Company
Limited

PROFIT AND LOSS ACCOUNT

For Year ending 31st December, 1922

Balance 31st December, 1921	$121,282.34
Net Profits for the year after deducting cost of Management, Directors' and Auditors' Fees, Contingencies, etc.	294,598.16
	$415,880.50
APPROPRIATED AS FOLLOWS:—	
Quarterly Dividends: Nos. 89 to 92, at the rate of 12% per annum	$240,000.00
To provide for Dominion Income War Tax	18,000.00
Balance Carried Forward	157,880.50
	$415,880.50

Balance Sheet, 31st December, 1922

ASSETS

CAPITAL ACCOUNT:			
Office Premises and Safe Deposit Vaults at Toronto, Montreal, Winnipeg, Regina, Saskatoon and Edmonton		$439,458.47	
Real Estate held for sale under mortgage foreclosure		142,924.75	
Rents due and accrued		5,269.77	
Mortgages:			
Principal	$2,399,833.62		
Interest due and accrued	153,227.90		
		2,553,061.52	
Loans on Stocks and Bonds		342,517.51	
Securities:			
Canadian Municipalities and School District Debentures	$53,184.07		
Other Bonds, Debentures and Debenture Stocks	185,075.27		
		$238,259.34	
Stocks		313,002.88	
Cash in Chartered Banks		101,432.05	
Cash on Hand		53,133.58	
Advances to Estates and Trusts		152,658.30	
			$4,341,718.17
GUARANTEED TRUST ACCOUNT:			
Mortgages:			
Principal	$4,196,206.45		
Interest due and accrued	245,809.39		
		$4,442,015.84	
Loans on Bonds		112,100.00	
Securities:			
Dominion of Canada and Provinces of Canada	$485,384.97		
Canadian Municipalities and School District Debentures	542,724.21		
Other Bonds and Debentures	7,325.96		
		$1,035,435.14	
Cash in Chartered Banks		324,862.55	
Cash on Hand		27,425.63	
			$5,941,839.16
ESTATES, TRUSTS AND AGENCY ACCOUNT:			
Funds and Investments		$102,259,850.76	
			$102,259,850.76
			$112,543,408.09

LIABILITIES

CAPITAL ACCOUNT:			
Capital Stock subscribed and fully paid	$2,000,000.00		
Reserve Fund	2,000,000.00		
		$4,000,000.00	
Special Reserve for New Branches		50,000.00	
Dividends Declared and Unpaid (Dividend No. 92 due Jan. 2, 1923)		60,000.00	
Mortgages in Process of Completion		52,286.73	
Reserve for Balance Dominion Income War Tax		21,550.94	
Profit and Loss		157,880.50	
			$4,341,718.17
GUARANTEED TRUST ACCOUNT:			
Trust Funds for Investment		$2,961,306.04	
Trust Deposits		2,980,533.12	
			$5,941,839.16
ESTATES, TRUSTS AND AGENCY ACCOUNT:			
Estates, Trusts and Agency Account		$102,259,850.76	
			$102,259,850.76
			$112,543,408.09

Board of Directors:

President: SIR JOSEPH FLAVELLE, BART.

Vice-Presidents: E. R. WOOD, W. E. RUNDLE, HERBERT C. COX

CHESTER D. MASSEY
H. H. FUDGER
HON. SIR EDWARD KEMP, K.C.M.G.
H. B. WALKER
J. H. PLUMMER, D.C.L.
HON. F. H. PHIPPEN, K.C.
HENRY J. FULLER
T. B. MACAULAY
W. M. BIRKS
E. M. SAUNDERS
SIR JOHN AIRD
JAMES RYRIE
NORMAN J. DAWES

RT. HON. SIR THOMAS WHITE, K.C.M.G.
MILLER LASH
HARRINGTON E. WALKER
A. MCT. CAMPBELL
KENNETH MACKENZIE
GEORGE W. ALLAN, K.C.
LEIGHTON MCCARTHY, K.C.
CARL RIORDON
EDWARD FITZGERALD
GEORGE W. MCLAUGHLIN
W. H. MCWILLIAMS
W. G. MORROW

ATTACK ON BOND SALES IN CANADA AROUSED STORM

New York Savings Bank Journal Editor Seeks Way Out

WAS MISUNDERSTOOD

Published Attack on Debt of Various Canadian Provinces and Municipal Centres—Excuse Weak

From Our Own Correspondent

NEW YORK.—Milton W. Harrison, editor of the Savings Bank Journal, the official organ of the National Association of Mutual Savings Banks, has issued a reply to those who have criticized his attack on the character of Canadian provincial and municipal securities. He also announces that his latest fulmination is to be regarded as a reply to Mr. E. A. McNutt of the Sun Life Insurance Co. of Canada, who took him to task in the first instance. Both Mr. McNutt's defense and Mr. Harrison's reply are to be published in the February issue of the Savings Bank Journal.

So far as Mr. Harrison's latest bulletin is concerned it is best described, as " rather feeble," the way in which one local bond man described it to your correspondent. After reading it, one has the feeling that the editor of the Savings Bank Journal is rather surprised by the storm of protest he has aroused both here and in Canada and is attempting more or less unsuccessfully to pour oil upon the troubled waters. While attempting to hold fast to the statements he made in the earlier bulletins, he takes refuge in vague and general statements that are in striking contrast to the clear and vigorously expressed opinions of the secretary of the Sun Life.

In the first place, Mr. Harrison claims that the purpose of his earlier bulletins to his readers has been misunderstood. He was only seeking to stimulate discussion by presenting impartially certain facts regarding the Canadian bond situation.

Becoming more specific, he agrees with his Canadian critics that "within limits" the policy which actuates Canadians in spending provincial and municipal funds freely with the object of preparing against the day when Canada's population will be greater than it is to-day. is justified. But he believes that this situation should be carefully analyzed by the investor in Canadian provincial and municipal bonds. He points out that a Canadian province or municipality which has spent a great deal of money in the hope of providing for a greater population in the near future, is in the position of a small business concern desirous of growing rapidly and possessing a good field for its endeavors. While he acknowledges that the parallel is not exact, he claims to believe that heavy indebtedness always carries with it a danger for the borrower.

"Nor are the heavier Canadian debts offset by the valuable assets, such as crown land possessed by certain provinces, notably British Columbia and Quebec, covered with standing timber, and the extensive program of public ownership of revenue producing properties entered into by other provinces and for which much of the indebtedness was incurred," says Mr. Harrison. "From the investor's point of view public properties are important chiefly from the income they produce, to meet obligations in both principal and interest when due, rather than as an ultimate factor of safety. The ownership of public enterprises brings us to the same point as made in the preceding paragraph—the element of danger which exists in too greatly 'extending' the province. This applies likewise to the contingent liabilities of the province in connection with the Canadian National Railways. That these obligations under certain conditions may be very real indeed for the provinces, is shown by the situation with respect to the Grand Trunk Pacific.

"Regarding the legal provisions surrounding Canadian and American issues, objection is made that the actual record should be considered, rather than to confine attention entirely to theoretical legal aspects. It is stated that states and provinces alike can have legal proceedings taken against them only with their consent. Furthermore, it is claimed, with regard to municipal issues, the Canadian system differs only from the American in that it relies upon an unwritten Constitution instead of a written one. In essence, therefore, when 2/3 of both houses and 3/4 of the states unite in repealing the constitutional guaranty against the impairment of contracts, a state legislature may enable a municipality to repudiate its bonds. Actually, of course, the fact that the obligation of Canadian bonds rests on government good faith should make their prompt payment vital to the maintenance of Canadian credit.

"In support of this contention, the fact is cited that there have been more attempted defaults in American bonds than in Canadian. Attention is called chiefly to the list of states repudiating obligations arising as a result of the Civil War. A large part of these issues, however, were of very doubtful legality and much the greater part never had the moral sanction or obligation of the citizens of the state in whose name they were issued. A state cannot be required to honor the act of its executive when contrary to law or the act of its legislature when contrary to its constitution, while no people feel called upon to meet the obligations of an usurping government. The situation with respect to these issues therefore by no means affords a fair criterion of the debt-paying record of American states.

"It would be desirable if there could be evolved by constitutional amendment an irrevocable right to a legal remedy, at least to determine the validity of state bonds when questioned. It would also be desirable if Canada possibly by a Dominion Act could give the same right for provincial obligations and a permanent guaranty for the complete enforceability of Canadian municipal bonds."

United States Supplies 67% Canada's Imports

This Position She Has Held Almost Unchanged for Last Three Years—Great Britain Our Best Customer, 42% of Total

From Our Own Correspondent.

MONTREAL.—The struggle between the United States and Great Britain for Canada's trade continues with little variation, according to the detailed figures issued by the Bureau of Statistics at Ottawa for the past three years. In the year 1922, that is the calendar year ending Dec. 31, Canada imported from the United States goods to the value of $509,823,760, and from Great Britain a total of $136,866,288. These two amounts formed a large part of the total imports of $762,339,309. From a percentage standpoint Canadians bought 67 per cent. or two-thirds of all its imports from the United States, and just under 18 per cent. from Great Britain.

Taking the returns for the year 1921 it is seen that there has been an increase for 1922 in imports from Great Britain of $13,700,000, while imports from the United States decreased a little over $45,000,000, from $555,000,000 to $509,000,000. So far far as percentages are concerned the United States in 1921 supplied 70 per cent. of the total imports, and Great Britain only 15½ per cent. It is seen, therefore, that the position of the latter is somewhat improved, although the anticipations of a marked advance in the proportion of goods supplied by Great Britain to somewhere nearer to the high percentage held before the war, has not been realized to any large extent.

In the year 1920 the imports were, of course, much larger, those from the United States being $921,000,000, and from Great Britain $231,000,000, the former's portion of the total being 70 per cent., and of the latter only 17.3 per cent. On the whole, however, the relative positions of the two countries in their competition for Canada's orders have changed to a surprisingly small extent.

Honors are about even as to which occupies the position of Canada's largest customer for her exports. In 1921 it was the United States with orders given us to the value of $325,000,000 against $308,000,000. This past year, however, Great Britain ran ahead, taking $374,000,000 from Canada where the United States was our customer to the extent of only $340,000,000.

In relation to the total of Canada's export trade Great Britain is responsible for 42.4 per cent. and the United States for 38.5, the two together covering about 81 per cent. of the total. The percentages in 1921 were 38½ for Great Britain and 40 for the United States. Two years ago the United States took $559,000,000 from Canada while Great Britain took only $341,000,000, so that in 1922 Great Britain actually took more than in 1920, but the United States over 30 per cent. less.

Below are given the detailed figures covering imports and exports for the period of twelve months in the last three years, and also for December of each year:

CANADA'S IMPORTS AND EXPORTS

	Month of December, 1922—			—12 Months ending Dec., 1922—		
Main Groups	Total Imports	From United Kingdom	From United States	Total Imports	From United Kingdom	From United States
Imports for Consumption	$	$	$	$	$	$
Agr. & Veg. Pr.	13,765,266	2,416,547	7,112,567	159,059,173	27,109,373	74,707,567
Animal Prod. ..	4,328,993	263,714	2,961,038	47,657,342	3,504,705	35,459,362
Fib. & Tex. Pr.	14,203,320	5,373,704	7,245,531	160,120,572	65,711,250	71,395,301
Wood, Wood Pr. and Paper ..	2,926,493	189,444	2,675,778	35,038,429	2,791,061	30,907,078
Iron & its Pr..	9,765,758	803,660	8,720,229	126,467,856	12,280,286	112,783,049
Non-Fr. Mtl. Pr.	2,921,400	296,681	2,381,945	34,952,616	3,190,450	29,843,984
Non-Metallic Mineral Pr. .	16,071,111	1,558,276	13,651,759	127,363,257	11,406,673	102,059,126
Chem. & Al. Pr.	2,042,398	209,551	1,394,872	25,690,382	3,765,429	18,162,209
All other com. .	4,180,149	639,248	3,166,001	45,989,682	7,107,061	34,506,084
Ttl. Imp. 1922 .	70,204,888	11,750,825	49,309,720	762,339,309	136,866,288	509,823,760
1921 .	60,050,166	10,825,385	40,830,346	799,478,483	123,149,776	555,091,001
1920 .	85,882,153	11,478,316	64,985,722	1,336,921,021	231,487,979	921,235,401

	Total Exports	To United Kingdom	To United States	Total Exports	To United Kingdom	To United States
Exports (Can. Produce)	$	$	$	$	$	$
Agr. & Veg. Pr.	64,991,473	47,461,569	7,061,647	397,375,826	267,354,407	41,204,133
Animal Prod. .	11,509,916	5,222,934	4,690,836	135,444,631	64,876,857	54,778,732
Fib. & Tex. Pr.	418,948	64,434	225,723	6,918,006	1,075,922	3,600,410
Wood, Wood Pr. & Paper .	19,290,437	1,171,960	16,975,667	213,145,383	19,853,602	175,730,044
Iron & its Pr. .	5,605,352	1,827,752	825,847	41,800,812	9,644,406	7,229,693
Non-Fr. Mtl. Pr.	4,286,260	282,892	3,069,731	39,549,486	8,097,738	22,825,725
Non-Metallic Mineral Pr. .	2,223,609	47,849	1,707,078	24,140,605	634,716	17,505,662
Chem. & Al. Pr.	1,258,702	197,278	733,492	12,484,006	1,643,565	7,205,239
All other com. .	1,288,728	246,360	914,723	13,503,828	1,570,681	10,076,609
Ttl. Exp. 1922 .	110,873,425	56,523,028	36,204,744	884,362,583	374,751,894	340,156,247
1921 .	86,304,163	42,780,274	28,374,629	802,699,820	308,866,848	325,651,382
1920 .	149,284,325	39,231,134	60,421,414	1,272,657,442	341,168,078	559,977,503

PROPERTIES MERGE IN THE MATACHEWAN

New Gold Mining Company Absorbs Several Companies

Completion of a merger between Matachewan Gold Mines and Matachewan Rand Mines is announced after some months of negotiations. The new company, known as Matachewan Canadian Gold, Limited, will own 840 acres of properties in the Matachewan gold area of Northern Ontario. These properties will include the Matachewan gold holdings upon which considerable development work has been done and which has large bodies of ore tested out by diamond drill; the Matachewan Rand; the Clement-Robb group of claims.

The new company will have a capitalization of $5,000,000. Shortly $600,000 of stock will be offered at par which will leave over $1,000,000 in stock in the treasury.

Senator G. D. Robertson is president of the new company.

Gives Employees Most of $4,000,000 Business

Gustav Hottinger, a Viennese immigrant, with $1,000, had an idea that terra cotta might be valuable when Chicago grew up. So with three others who had the same amount of money he started to manufacture the product. That was in 1878. Now with the Northwestern Terra Cotta Company's assets put at more than $4,000,000, Mr. Hottinger gives most of it away.

"I want to rest," was the reason he gave to-day.

The recipients of the gift are 36 officials of the concern.

"Other employees in responsible positions will be allowed to buy into the re-organized company," said the benefactor's son, Adolph Hottinger. "We consider the opportunity of sharing in the company's success an incentive to stimulate the best efforts in our personnel."

BRITISH MORTGAGE

Material Increase In Profits Noted Last Year

Profits of the British Mortgage Loan Company, Stratford, were $85,145 for 1922 showing an increase from $70,581 in the previous year but still being less than the $92,550 shown for 1920. After the payment of dividends at 12 per cent. $20,000 was added to reserve, $2,093 written off premises and the balance carried forward. Following are comparative figures:

	1922	1921	1920
Net profits	$85,145	$70,581	$92,550
Bal. forward ...	3,383	2,801	10,251
	$88,528	$73,382	$102,801
Dividends .. .	60,000	60,000	70,000
Reserve..	20,000	10,000	30,000
Premises	2,093	..	..
Balance..	6,435	3,382	2,801
	$88,528	$73,382	$102,801

Following is a summary of the company's earnings record for the past seven years:

Year	Paid-up Capital	Profits	Div.	% on Cap.	Earn. Rate
1922 ..	$500,000	$85,145	12	17.0	8.5
1921 ..	500,000	70,581	12	14.1	7.3
1920 ..	500.000	92,550	12+2	18.5	9.8
1919 ..	500,000	82,953	12	16.5	9.1
1918 ..	500,000	73,823	10	14.7	8.2
1917 ..	500,000	62,984	10	12.5	7.9
1916 ..	450,000	63,944	9	14.2	8.3

Debentures outstanding and deposits both showed an increase, the total of $2,490,693 compared with $2,341,086 the year before. The reserve fund is now equal to the paid up capital of $500,000.

CANADIAN SUGAR IN ITALY

In the forthcoming issue of the Commercial Intelligence Journal, Trade Commissioner W. McL. Clarke writes that a shipment of 1,500 tons of Canadian sugar was sold in Italy during 1922. This was well received on the market and was spoken of even more highly than the American granulated on account of the fineness of the grain. The Canadian sugar was largely used by a large chocolate manufacturer, and as this and similar industries are very important, it would seem that, other things being equal, Canadian exporters might be able to compete when Italy is in the buying market.

SOLVED PROBLEM OF TILLAGE IN DROUGHT AREA

Claim Made That Alberta Farmer Can Ensure Crops

ABANDONS PLOW

New Method Is by Using Cultivator To Oust Weeds and Conserve Moisture On Summerfallow

A new method of summer fallow by using an ordinary duck-foot cultivator, instead of a plow, is said by F. W. Crandall, Calgary, to have solved the problem of successful cropping in the drought area of Southern Alberta. Wherein the results of the ordinary summer fallow have been either as indifferent, as stubble, less productive than stubble and in many cases the last few years, there was no crop at all, Mr. Crandall says of the new method that a crop may be expected while the plow method has been found questionable.

Mr. Crandall has given much time to investigating new methods believing that the time would come when some method would be found whereby the drought area would get crops. The secret of the new method is that it kills the weeds, breaks up the ground and at the same time conserves the moisture.

Rufus K. Bohannon living near Sibbald, out from Oyen on the C. N. R., is the farmer who discovered the method. He has proved its success. He works 400 acres, 200 each year. The character of his soil is similar to that of the drought area.

After spring seeding he tackles the summer fallow using the duck-foot cultivator cutting 9-ft. wide, with 13 12-inch blades and makes his first cut 4 inches deep. Wide blades are important insuring that every inch of the soil is covered moving the roots of every weed. Six horses are used and the blades are kept well sharpened to make sure of cutting the roots.

The second operation immediately follows only in the cross direction. Two outside blades are removed, two horses are added and the blades cut 1½ inches below the first level. A third operation, after the removal of two more blades, gets down another ½ inch. This means that the land is pulverized to seven or eight inches and thus it lays until the following spring when he puts on an acme harrow and levels the ridges for the drill. Generally he found three operations sufficed except in small patches of different soil and more operations were needed to get the ground in the best condition.

The question of the amount of seed to the acre is a matter of some moment, his advice being about one bushel of well-cleaned wheat, of the best germination quality.

One of the great advantages of summer fallow prepared in this way is the entire elimination of weeds, which during these several dry seasons have become such a menace that in many cases they entirely crowd out the crop, leaving nothing of the original seeding to grain, and so utterly defeat the handling of the land.

Mr. Bohannon shows conclusively that if the weed seeds are turned under with an ordinary plow, and if the surface is at all dry at the time, they may lie there even for a year or more, only to come to the front, when they are again turned up, and become the same menace if not worse, than if they had been on the surface.

Of the method Mr. Crandall says: "One thing that impresses me in this system of operation, is the fact that it will not cost any more than the ordinary way of handling land for summer fallow, and when such outstanding results may be shown, I see every reason for adopting this in any section where there are not too many stones, which in any case will prevent proper cultivation in this way."

SECURITY LOAN

Substantial Increase in Earnings During Past Year

Profits of the Security Loan & Savings Company of St. Catharines, showed marked improvement in 1922 totalling $48,933 as compared with $43,707 in the previous year. Dividends at the increased rate of 7 per cent. took $37,334, and $15,000 was added to reserve. Following are comparative figures:

	1922	1921	1920
Profit	$48,993	$43,707	$43,591
Prem. on stock .	480	..	..
Insurance	..	3,084	..
Bal. forward ..	* 4,445	2,390	5,737
	$53,918	$49,181	$49,328
Dividends	37,334	34,599	31,938
Reserve	15,000	10,000	15,000
Balance	1,583	4,582	2,390
	$53,918	$49,181	$49,328

* Less Income Tax paid.

Following is a summary of the company's earnings record for the past eight years:

Year	Paid-up Capital	Profits	Div.	% on Cap.	Earn. Rate
1922 ..	$534,700	$48,993	7	9.2	6.7
1921 ..	532,300	43,707	6½	8.2	6.1
1920 ..	532,300	43,591	6	8.1	6.3
1919 ..	528,250	47,357	6	8.9	7.0
1918 ..	524,200	47,021	6	8.9	7.2
1917 ..	523,233	44,386	6	8.4	7.0
1916 ..	508,679	46,622	6	9.1	7.7
1915 ..	500,000	41,279	5½	8.2	7.0

The company increased its debentures outstanding during the year from $61,688 to $113,556 but deposits declined from $399,323 to $376,286. There was some increase in mortgage loans while investments in Dominion of Canada bonds and municipal debentures were materially increased.

INVESTORS' INQUIRIES

(Continued from page 19)

assets. They rank rather as "time" loans. It might be difficult for you if the amount is fairly large particularly, getting a return made of your loan within a reasonable period. The bank rate for call loans is 6½ per cent. now but private money, we know, is offering at 6 per cent., and bank loans are likely to be reduced to that within a short time.

There is another point that is worth drawing to your attention in connection with call loans and that is that banks and large institutions, such as Trust Companies and large industrial corporations that are in touch with lending money on the "Street" are familiar with the forms of security that are offered for the loan, and the method of figuring out just what this should be to secure the loan effectively. You, probably, would be treading on uncertain ground in this direction, so that on the whole we would advise you against lending money on call.

MATTAGAMI DEBENTURES

D. W., Saskatchewan.—I would be grateful if you would give me your opinion concerning the outlook for the debenture holders of the Mattagami Pulp and Paper Co. Do you think it at all likely that interest will be paid on the debentures towards the latter half of 1923 and if on the reorganization some compensation will be given for back interest on these securities?

Your questions regarding Mattagami debentures cannot be definitely answered. The company is being operated by a receiver and no final plans have been worked out as to the future. The present arrangement is likely to be continued and reorganization is likely to be deferred until it is determined whether or not the plant can be permanently put upon a profitable basis. If you are a debenture holder we would advise you to hold your debentures. Eventually they are likely to acquire some greater value. If the plant can be continued in operation upon a satisfactory basis it should be possible to earn bond and debenture interest. The book value of the plant is more than twice the outstanding debt.

At present, operations are on a profitable basis with this difficulty, however, that the raw material being used is on the books at a value far above present market prices and adjustments must continually be made here that wipe out profits.

We do not anticipate that any interest will be paid this year, although that is a matter to be decided later. Nor can it now be said whether or not debenture holders will receive compensation for back interest when the reorganization takes place.

To purchase the bonds or debentures now would be to indulge in speculalion. If you at present hold any you would probably be unwise to add to your holdings. Diversification is always wise in investment and when you have invested heavily in a company that has not proven satisfactory in its results you should consider carefully before putting more money in the same place.

WHALEN PULP BONDS

Subscriber, Charlottetown.—Kindly let me know if you consider Whalen Pulp & Paper 6% bonds due May, 1931, at 90.50 a good safe investment.

Whalen bonds offer an investment with attractive possibilities for appreciation. They cannot be classed among the very best corporation bonds because the company is still in the expanding stage and will probably meet with important problems. But the yield at present levels is quite high and is an attractive feature for the investor.

TENTH ANNUAL REPORT OF

Waterloo Trust & Savings Company

The Directors of The Waterloo Trust and Savings Company have pleasure in submitting herewith to the Shareholders their Tenth Annual Report, showing the result of the Company's operations for the past year, accompanied by the Balance Sheet to December 31st, 1922.

After providing for interest on deposits and other moneys received from the Public, and defraying the expenses of management, the balance available for distribution is as follows:

Balance Brought forward from 1921	$ 9,011.86
Premium on Stock	2,535.00
Net Profits for the year	66,952.78
	$78,499.64

This amount has been disposed of as follows:

Two half-yearly Dividends, Nos. 17 and 18 at the rate of 6½ per cent. per annum	$ 44,986.95
Dominion Government Income Tax	3,943.10
Written off for Trust Company Re-organization Expenses	4,000.00
Written off Office premises	1,337.50
Transferred to Reserve Account	15,000.00
Transferred to Contingent Account	5.410.67
Balance carried forward	3,821.42
	$78,499.64

During the past year, several important steps have been taken in connection with the Company's business.

Acting upon the authority granted at the Special Meeting of Shareholders, held in December 1921, steps were taken to bring about the change of Registry from that of a Loan Company to a Trust Company. This change considerably widened the scope of the Company's activities, and your Directors feel that the growing practice of having a Trust Company undertake the work of Administering Estates and other important Trustee work, will result in a fair measure of this work being placed with our own Company.

This change in the Company's status involved the change of name from The Waterloo County Loan and Savings Company to The Waterloo Trust and Savings Company.

The Company has established an Office in the City of Galt, and prospects for considerable business at that point are promising.

The investments of the Company have received careful attention, and are in good shape.

The new Mortgage Loans made by the Company during the past year have been confined, almost exclusively, to Waterloo County.

The books and vouchers at the different offices have been audited monthly, and the Auditors' certificate is attached herewith. In addition to the regular audit, the Securities of the Company have been inspected and verified by a Committee of the Directors.

All of which is respectfully submitted.

THOS. HILLIARD,
President.

Waterloo, Ontario, January 23rd, 1923.

Financial Statement to December 31st, 1922

PROFIT AND LOSS ACCOUNT

Dr.	
Interest on Trust Deposits and other Guaranteed Funds	$ 79,114.17
Interest on Loans	8,231.47
Commissions in connection with Mortgage Investments, etc.	9,919.61
General Expenses, including Provincial and Municipal Taxes, Salaries, Rentals, Printing, Advertising, etc. (for the 3 offices)	39,959.92
Dominion Govt. Income Tax	3,943.10
Written off for Trust Company Re-organization Expenses	4,000.00
Written off Office Equipment Acct.	1,337.50
Transferred to Contingent Acct.	5,410.67
Transferred to Reserve Acct.	15,000.00
Dividends Nos. 17 and 18	44,986.95
Balance, Profit and Loss	3,821.42
	$215.724.81

Cr.	
Balance Brought Forward	$ 9,011.86
Premium on Stock	2,535.00
Earnings, on Investments, Commissions, Rentals, etc.	204,177.95
	$215.724.81

ASSETS AND LIABILITIES

ASSETS		
Capital Account		
Office Premises, Waterloo and Kitchener including Safe Deposit Vaults, Office Equipment, etc.		$ 84,000.00
Other Real Estate		45,507.00
Mortgages		
Principal	$548,388.97	
Interest due and Acc'd	10.934.66	
		559,323.63
Loans on Stocks, Bonds, etc.		
Loans on Company's own Stock	$11,253.75	
Loans on other Securities	40,889.71	
		52,143.46
Bonds issued by the Dominion of Canada and Provinces of Canada		35,728.89
Municipal and School Debentures		107,741.24
Other Bonds and Debentures		53,361.37
Other Assets		1,732.29
Cash in Banks		8,463.35
Cash on Hand		1,849.09
		$949,850.32
Guaranteed Trust Account		
Mortgages		
Principal	$628,243.16	
Interest	40,912.58	
		669,155.74
Provincial Government Bonds	$316,810.98	
Municipal School and Telephone Bonds	829,570.71	
Bonds Guaranteed by Dominion or Prov. Governments	118,512.49	
		1,264,894.18
Cash on Hand and in Banks		126,644.52
		$2,060,694.44
Estates, Trusts and Agencies Account		
Mortgages	9,100.00	
Bonds	750.00	
Cash on Hand	103.95	
Inventory value of Unrealized Estates Assets	63,694.02	
		73,647.97
		$3,084,192.73

LIABILITIES	
Capital Account	
Capital paid up	$ 707 920.00
Reserve Account	150,000.00
Contingent Account	10,000.00
Dividends declared and unpaid (due Jan. 1st, 1923)	22,889.10
Amount provided for acc'd. commissions, etc.	5,219.80
Sundry Loans	50,000.00
Profit and Loss	3,821.42
	$949,850.32
Guaranteed Trust Account	
Guaranteed Trust Funds	697,129.37
Trust Deposits	1,363,565.07
	$2,060,694.44
Estates, Trusts and Agencies Account	
Trust Funds for Inv't	9,953.95
Inventory value of Unrealized Estates Assets	63,694.02
	$73,647.97
	$3,084,192.73

THOS. HILLIARD, President.

P. V. WILSON, Managing-Director.

Kitchener, Ontario. January 23, 1923.

J. SCULLY, and J. F. SCULLY, Auditors.